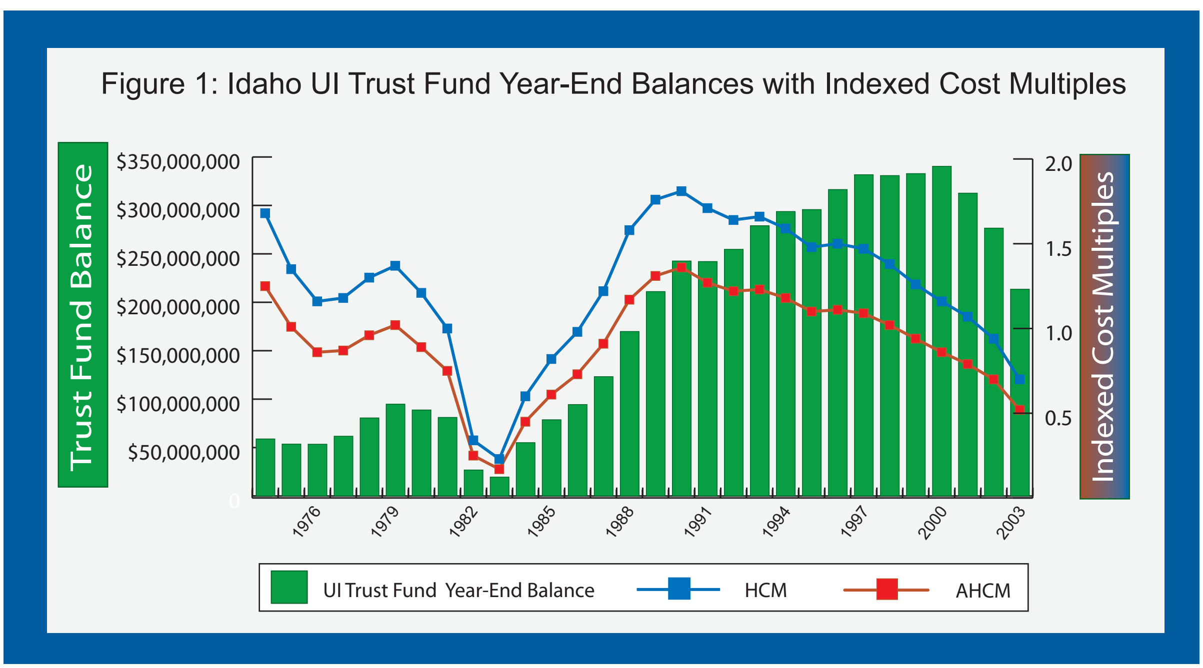
Annual Redbook

IDAHO COMMERCE & LABOR

IDAHO
UNEMPLOYMENT INSURANCE
Financing, Benefit Costs, And Experience Rating Report
2003



IDAHO

UNEMPLOYMENT INSURANCE

Financing, Benefit Costs, And Experience Rating Report

2003

DIRK KEMPTHORNE, GOVERNOR

Roger B. Madsen, Director

Jerry Fackrell, Research & Analysis Bureau Chief
Jack Bonner, Research Analyst

IDAHO COMMERCE & LABOR
Research & Analysis Bureau
317 West Main Street
Boise, Idaho 83735-0670

Additional copies of this publication may be obtained through:

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Published July 2004

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FOREWARD

The *Idaho Unemployment Insurance Financing, Benefit Costs, and Experience Rating Report* is an annual study that is intended to provide the reader with information about the structure, development, history, and current status of Idaho's Unemployment Insurance program. We hope this information will assist you as a reference relative to benefit costs, benefit financing, and experience rating. Please call Jerry Fackrell at (208) 332-3570 ext. 3212 or Jack Bonner at (208) 332-3570 ext. 3213 if you have any questions or comments.

Roger B. Madsen
Director
Idaho Commerce & Labor

PREFACE

The Moving Finger writes; and, having writ,
Moves on: nor all your Piety nor Wit
Shall lure it back to cancel half a Line,
Nor all your Tears wash out a Word of it.
Rubaiyat of Omar Khayyam

Unemployment Insurance (UI) was created by the Social Security Act in 1935 — during one of the deepest, most merciless depressions that this nation has ever endured. While Unemployment Insurance was born in the United States as an eventuality of this dark period in our history, it remains a vital and vibrant adjunct to our economic well-being to this day.

We have seen that in the schema of dynamic economic change, particularly in the realm of business cycles, unemployment insurance can become a complex system of algorithmic content. Unemployment Insurance can be best described as a **"complex adaptive system",** and its role in stabilizing business cycles should not be trivialized. Much of this complexity arises from subtle interactions that occur in the economy that make adaptations to the unemployment system imperative. As a complex adaptive system, it must adjust to changes in the economy that will ensure that unemployment insurance will maintain the vital role that it is intended to play — not the least of these is the role of maintaining an adequate trust fund that would remain able to pay benefits when the economy experiences a downturn in the business cycle.

Readers of this publication can easily compare the most recent data with the unemployment insurance data of the ten prior years. Much of the information in this report clearly reveals the meaningful changes that occur in Idaho's UI program when an economic downturn puts extreme pressure upon the trust fund. Perhaps, we should rediscover the lessons taught by the severe recession just 20 years ago when Idaho's trust fund was essentially "broke".

In 2002, the economy has produced a major disturbance in Idaho's UI system. We hope that this report will chronicle the effects of this economic downturn on the system and the degree to which it has adapted to this disturbance. This dramatic change from the booming economy of the recent past visibly points to the meaningful role that UI plays in helping stabilize the economy. The report emphasizes that a healthy UI trust fund provides automatic increased benefits (economic stimulus) at the right time, in the right places, among those that need them the most.

The data in this annual report must be considered as an abstract. Interspersed within the tables and figures is a brief analysis of the data and some background information. Any analysis included in this report is not a complete evaluation of the data.

The data and narrative included in this report pertain only to factors that affect the UI trust fund. It excludes data for state and local government and charitable organizations that are in the UI program on a cost reimbursement basis.

This publication reports data on both a calendar year (CY) basis and on a fiscal year (FY) basis. Which yearly basis is used is dependent upon specific requirements of Idaho's Employment Security Law. Whenever possible, the time period selected is that period nearest to the publication date.

TRUST FUND ADEQUACY

GENERAL PRINCIPLES

Trust fund financing is a system that forward funds the insurable unemployment risks. The one overriding principle of building a trust fund to pay UI benefits is that the fund reserves should be adequate during periods of economic health to pay benefits during periods of economic downturn. Keeping the trust fund balance high enough so that the fund can maintain solvency during recessionary times while avoiding tax increases is essential.

TABLE 1: Trust Fund Balances

End of Calendar Year	Balance
1974	$58,915,087
1975	$53,598,047
1976	$53,452,492
1977	$61,729,579
1978	$80,619,893
1979	$94,847,493
1980	$88,831,235
1981	$81,126,648
1982	$26,850,066
1983	$19,545,062
1984	$55,096,831
1985	$78,721,677
1986	$94,431,892
1987	$123,229,602
1988*	$169,854,239
1989	$211,056,297
1990	$242,620,136
1991	$242,051,342
1992	$254,684,281
1993	$279,061,261
1994	$293,701,173
1995	$295,719,659
1996	$316,391,695
1997	$331,703,776
1998	$330,814,400
1999	$332,837,261
2000	$340,382,535
2001	$312,677,197
2002	$276,572,935
2003	213,506,800

*1989 Legislature changed computation from an accrual basis to a cash basis

Ideally a UI trust funding system should be countercyclical. When the economy experiences a downturn, a drawdown of the fund occurs because of increased UI benefit payments, and UI tax payments flowing into the fund decrease. Conversely, during periods of relative economic health, UI benefit payments decrease, and UI tax payments flowing into the fund increase as payrolls and employment increase. In Idaho, countercyclical taxation is somewhat achieved through the lag time built into the tax system. But, countercyclical taxation is only effective if recessions that occur are of relatively short duration. The recession in Idaho from 1980 to 1983 is a good example of when the length of time that the recession had its grip on the state economy outstripped the built-in countercyclical aspects of Idaho's UI program. Also, Idaho’s current trust fund adequacy shortcomings can be attributed, in some degree, to the current tax freeze and the resulting countercyclicial taxation anomalies.

The fundamental fund adequacy question is: "What should be the size of the UI trust fund reserves to meet a potential drawdown from a recessionary economy?” The absolute dollar balance of the UI trust fund has little value in determining the financial health of a trust fund since the liability to the fund is greater as Idaho’s labor force and wages continue to grow. However, the UI trust fund balance must be made relative to known values. The high cost multiple (HCM), average high cost multiple (AHCM), and the ratio of the fund to total wages are such relative measures of solvency.

TRUST FUND TREND

Idaho's 2003 year-end trust fund balance was $213.5 million, which was 22.8 percent less than the $276.6 million recorded at the close of 2002.

As TABLE 1 (previous page) clearly shows, the absolute year-ending fund balances for the four years prior to 2001 remained essentially level. This stability of the fund levels was maintained even though the 1998 "re-write" of Idaho's UI Law resulted in a tax reduction for a great majority of tax-rated employers. Additionally, the stability of the fund can be attributed to record low insured unemployment rates, rapid growth in covered employment and, the resulting growth in taxable wages.

With the nationwide layoff of workers that began with a downturn in the business cycle in 2001, the payout of benefits from the trust fund accelerated, producing a significant decrease in the level of the fund. This decrease continued through 2003. In addition to the drain upon the fund from increased benefit payments is the fact that there is reduced revenue to the fund because of reduced payrolls resulting from the business downturn, as well as the U.I. tax frozen in schedule II. Although the absolute levels of the UI Trust Fund have risen over the decade of the 90s, the adequacy indicators (AHCM & HCM) fell nearly 40 percent during this same period.

HIGH COST MULTIPLE (HCM)

Since both wages and UI benefits are dynamic, especially during periods of inflation, potential liability to a state's UI trust fund cannot be gauged by an absolute dollar amount. The premise of the high cost multiple is that each state should maintain a minimum trust fund balance which is 1½ times larger than the indexed amount of UI benefits paid out in 12 months during the worst case recession in recent history. The high cost multiple is derived by dividing the ratio of a state's year-end UI trust fund balance to total covered wages paid during the year by the state's high cost rate. The high cost rate is defined as a state's highest ratio of benefit expenditures to total covered wages during any 12-month period since January 1958. Idaho's high cost rate of .0319 occurred in the twelve-month period beginning February 1, 1982, and ending January 31, 1983.

AVERAGE HIGH COST MULTIPLE (AHCM)

Another relative rule-of-thumb is the average high cost multiple recommended by the U.S. Advisory Council on Unemployment Compensation: "Congress should establish an explicit goal to promote the forward funding of the Unemployment Insurance system. In particular, during periods of economic health, each state should be encouraged to accumulate reserves sufficient to pay at least one year of Unemployment Insurance benefits at levels comparable to its previous high cost. For purposes of establishing this forward-funding goal, the previous high cost should be defined as the average of the three highest annual levels of Unemployment Insurance benefits that a state has paid in any of the previous 20 calendar years." Idaho's highest average three-year high cost rate of .0237 was recorded during 1982, 1983, and 1986.

RATIO OF FUND TO WAGES

The ratio of the fund to total wages makes the fund size a relative measure of fund adequacy. The rationale of this measure is that as total covered wages increase, the potential liability to the fund also increases because of employment growth and wage inflation. This becomes, then, a valuable adequacy measurement tool in itself. The ratio of fund to wages is also used as a tax level triggering mechanism in the law to ensure that the fund will continue to grow as the liability to the fund grows.

TABLE 2: Ratio of Year Ending Trust Fund Balances to Covered Wages and Cost Multiples
1974 - 2002

Year	(1) December Trust Fund Balance ($000)	(2) Covered Wages ($000)	(3) Ratio of December Trust Fund Balance to Covered Wages	(4) HCM Base 9/1/60	(5) HCM Base 2/1/82 to 1/31/83	(6) AHCM Average Three-year High*
1974	58,915	1,479,732	0.0398	1.78	1.25	1.68
1975	53,598	1,671,759	0.0321	1.43	1.01	1.35
1976	53,452	1,946,553	0.0275	1.22	0.86	1.16
1977	61,729	2,213,340	0.0279	1.25	0.87	1.18
1978	80,619	2,613,561	0.0308	1.37	0.96	1.30
1979	94,847	2,917,541	0.0325	1.45	1.02	1.37
1980	88,831	3,102,768	0.0286	1.28	0.89	1.21
1981	81,127	3,394,490	0.0239	1.07	0.75	1.00
1982	26,850	3,351,897	0.0080	0.36	0.25	0.34
1983	19,545	3,579,875	0.0055	0.25	0.17	0.23
1984	55,097	3,869,731	0.0142	0.63	0.45	0.60
1985	78,722	4,058,892	0.0194	0.87	0.61	0.82
1986	94,432	4,067,775	0.0232	1.04	0.73	0.98
1987	123,230	4,247,972	0.0290	1.29	0.91	1.22
1988	173,469	4,635,480	0.0374	1.67	1.17	1.58
1989	211,056	5,061,903	0.0417	1.86	1.31	1.76
1990	242,620	5,605,159	0.0433	1.92	1.36	1.81
1991	242,051	5,961,734	0.0406	1.81	1.27	1.71
1992	254,684	6,539,625	0.0389	1.74	1.22	1.64
1993	279,061	7,094,143	0.0393	1.75	1.23	1.66
1994	293,701	7,815,924	0.0376	1.67	1.18	1.59
1995	295,720	8,453,059	0.0350	1.56	1.10	1.48
1996	316,392	8,909,294	0.0355	1.61	1.11	1.50
1997	331,704	9,515,329	0.0349	1.56	1.09	1.47
1998	330,814	10,174,288	0.0325	1.45	1.02	1.38
1999	332,837	11,052,325	0.0301	1.34	0.94	1.26
2000	340,383	12,329,350	0.0276	1.23	0.86	1.16
2001	312,677	12,364,096	0.0253	1.13	0.79	1.07
2002	276,573	12,419,273	0.0222	0.99	0.70	0.94
2003	213,509	12,703,374	0.0168	0.74	0.53	0.71

*This average high cost multiple should not be confused with the 10-year ACM used for determining which tax schedule is in effect.

HISTORICAL PERSPECTIVES

Prior to 1983, Idaho's high cost period began on September 1, 1960 and ended August 31, 1961, with a high cost rate of .0224 (see TABLE 2). The recession in the early 1980s produced the highest cost period in the history of Idaho's UI program, shattering the previous high cost period record set in 1961. The new high cost period began February 1, 1982, and ended on January 31, 1983, with a high cost ratio .0319. The HCM with 1961 high cost period, the HCM with the 1983 high cost period, and the average cost multiple are all plotted in FIGURE 1 for comparison purposes.

TABLE 2 presents a historical perspective of trust fund adequacy criteria for 1974 through 2002. The ratio of the year-end fund balance to total covered wages, which in itself is a potential indicator of fund adequacy to meet any recessionary pressures, has declined steadily since 1990 with the decrease more dramatic the last three years of 2001-2003.

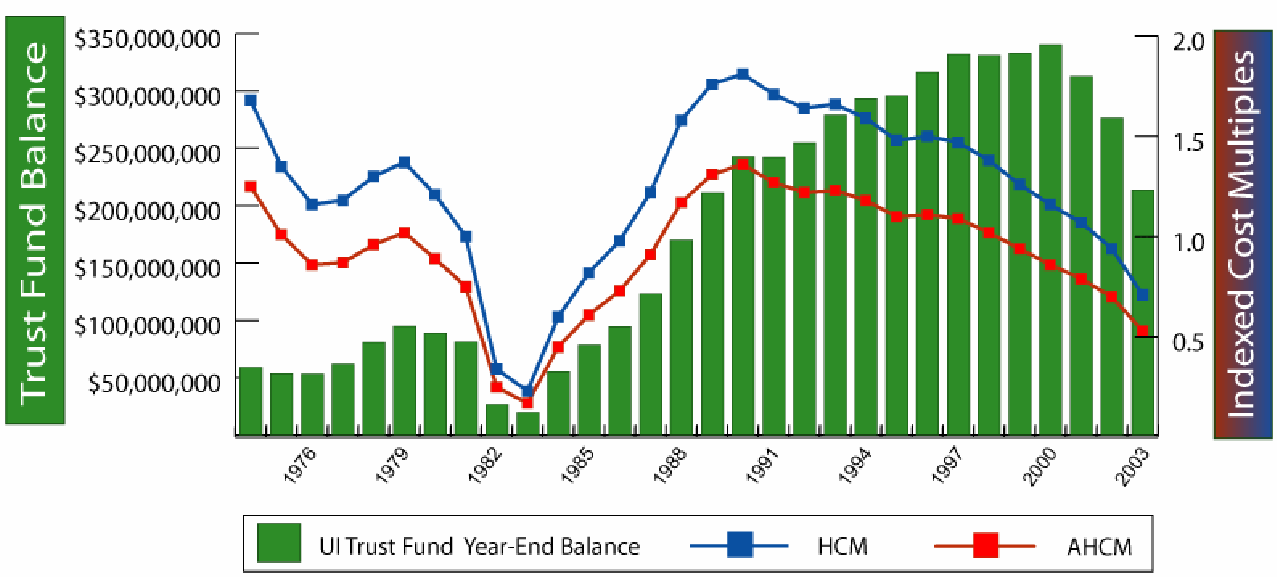
FUND ADEQUACY BY CRITERIA

FIGURE 1 graphically shows that there has been a gradual decline in the two adequacy measures during the decade of the 90s. A very important factor in the computation of the HCM is the total covered labor force. In light of a strong economic backdrop, rapid growth in Idaho's covered labor force, along with its resulting growth in covered wages, has contributed to the data declines in the last few years. (In the computation of the criteria measures, the year-end fund balance is made relative to year-end total wages.)

While both adequacy measures have resulted in steady but small declines during the decade of the 90s, there has been an accelerated reduction in the ratios during the last three years, 2001-2003.

The question that is always paramount in trust fund adequacy is: How much reserves are enough? The answer to this question can be convoluted and veiled in uncertainty because of the unstable nature of business cycles in general and of the job market in particular.

FIGURE 1: Idaho UI Trust Fund Year-End Balances with Indexed Cost Multiples



FACTORS SIGNIFICANTLY AFFECTING UI COSTS AND UI TAX RATES IN IDAHO

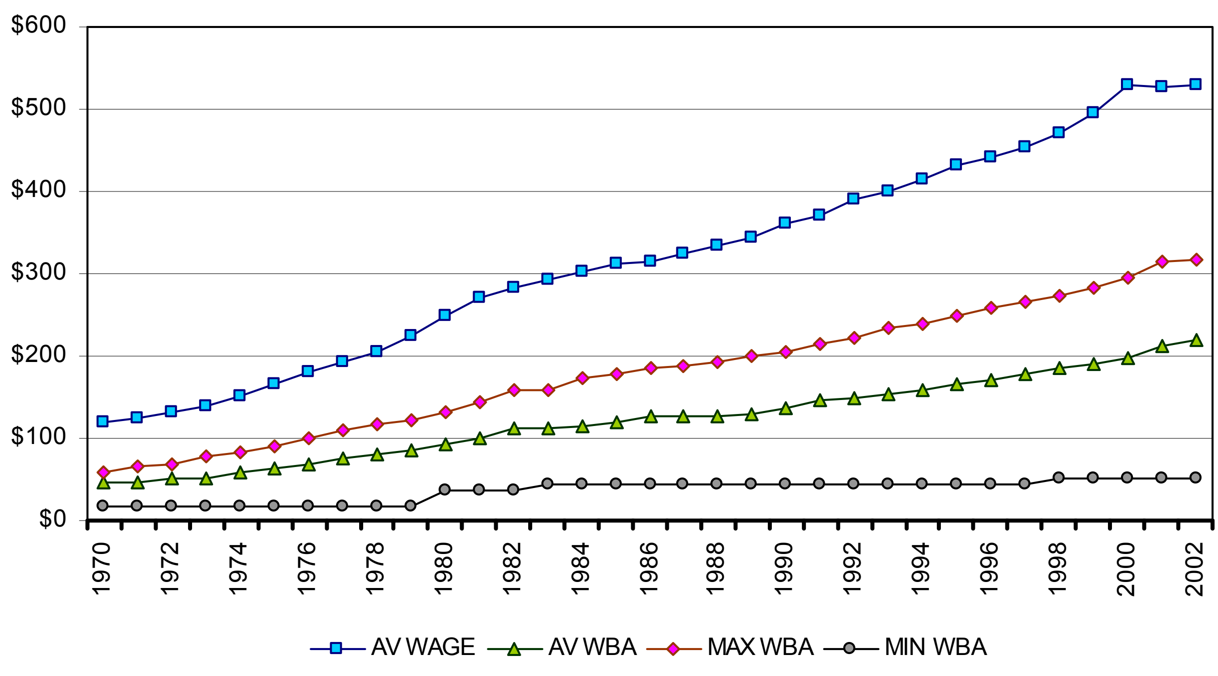
AVERAGE WEEKLY TAXABLE WAGE

In 1976, the taxable wage base was indexed to total wages. The taxable wage base is the limit on the amount of each employee's wages that are taxable each year. Since that law change, taxable wages have remained at about 67 percent of total wages. The average weekly taxable wage is an average of that portion of the average weekly wage upon which Idaho employers pay UI payroll taxes. In 2002, the $366.21 average taxable wage was 69.1 percent of the $530.05 average weekly wage. The stability of the average taxable wage to the average weekly wage indicates that taxable wage base increases have not outpaced inflationary increases in wages.

AVERAGE WEEKLY WAGE

In 2002 the average weekly wage was $530.05, up 0.7 percent from $526.05 in 2001. The 0.7 percent increase in 2002 over 2001 compares to a dramatic 7.4 percent increase in 2001 over 2000. The average weekly wage is important in a more intrinsic way. It determines the maximum weekly benefit amount and, indirectly, the average benefit amount paid to Idaho UI claimants. The maximum weekly benefit amount is set at 60 percent of the average weekly wage in the preceding calendar year.

FIGURE 2: Average Weekly Wage & Benefit Levels



AVERAGE WEEKLY BENEFIT AMOUNT

The relationship between the average weekly wage and the average weekly benefit amount is important. This relationship shows the degree to which average UI benefits replace average wages. The average weekly benefit amount for all claimants during 2002 was $218.44, up 2.82 percent over the $212.44 in 2001.

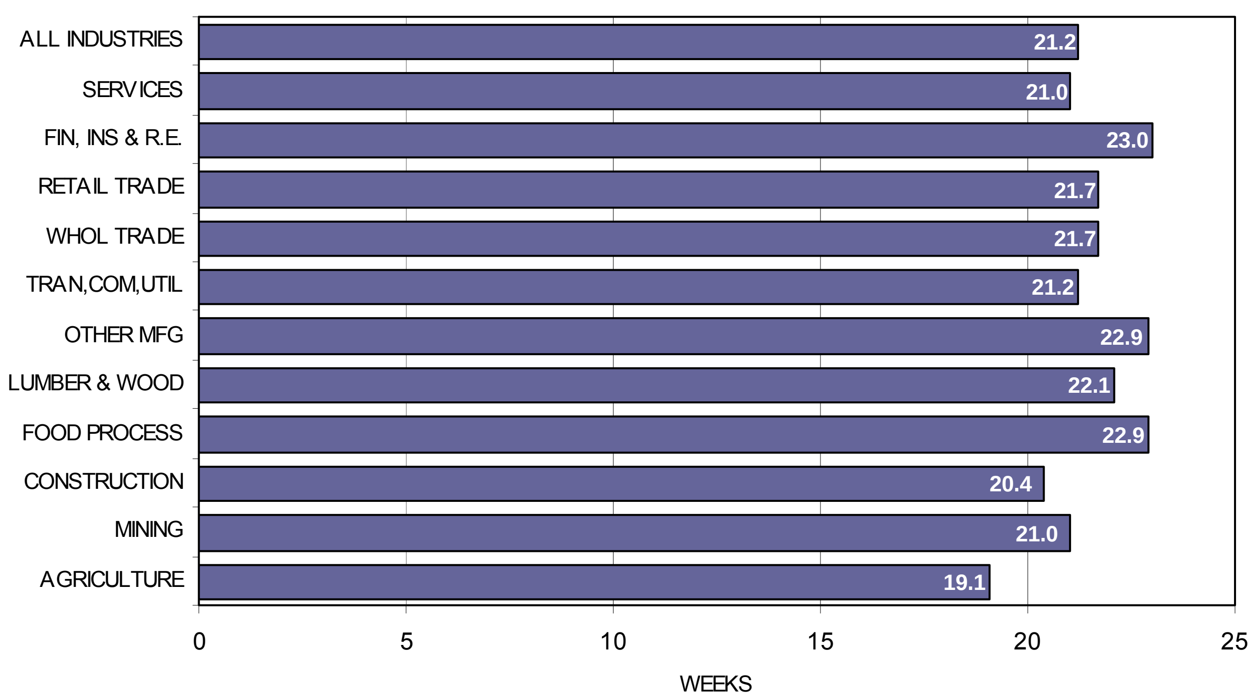
The reason for this significant increase was that the recession that began in 2001 resulted in major layoffs of an unusual volume of higher paid workers at the beginning of the recession. As shown in FIGURE 2 the average benefit amount has remained a remarkable constant relationship to the average weekly wage since the maximum UI benefit amount was indexed to 60 percent of average wages in 1973. The average benefit amount in 2002 was 41.3 percent of average weekly wage. This is up almost 1 percent from the 40.4 percent recorded in the prior year.

POTENTIAL DURATION OF BENEFITS

Equally important is the average potential duration of benefits. The potential duration of benefits is the maximum number of weeks that a claimant may draw his/her weekly UI benefit amount. The maximum potential duration for any eligible claimant is determined by the ratio of the high quarter earnings to total earnings in the claimant's base period.

There are meaningful differences in potential duration of benefits by major industry groupings. Seasonal employment patterns and/or the use of temporary or part-time workers are impor-

FIGURE 3: Average Potential Duration of Benefits, 2002

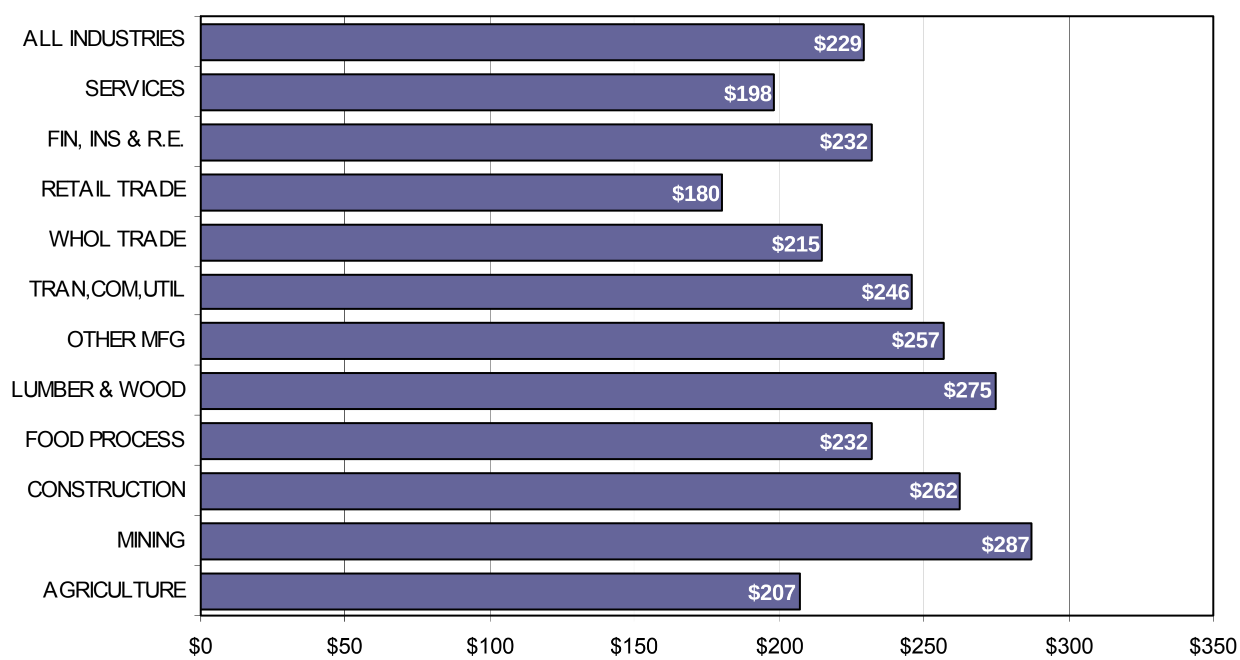


tant factors in average potential duration. There were only marginally minor changes in average potential duration of benefits by major industry groups when 2002 is compared to 2001. For all industries, the average potential duration was 21.1 weeks in 2002 compared to 21.2 weeks in 2001.

AVERAGE WEEKLY BENEFIT ENTITLEMENT

Equally important as potential duration is average weekly benefit entitlement. FIGURE 4 depicts the wide variation by major industry groupings in these averages — from $180 per week in retail trade to $287 per week in the mining industries. The average weekly benefit entitlement for all industries in 2002 was $229, which is up $16 from the $213 of the prior year. This is likely due to the recession hitting the high-tech manufacturing particularly hard.

FIGURE 4: Average Weekly Benefit Entitlement, 2002

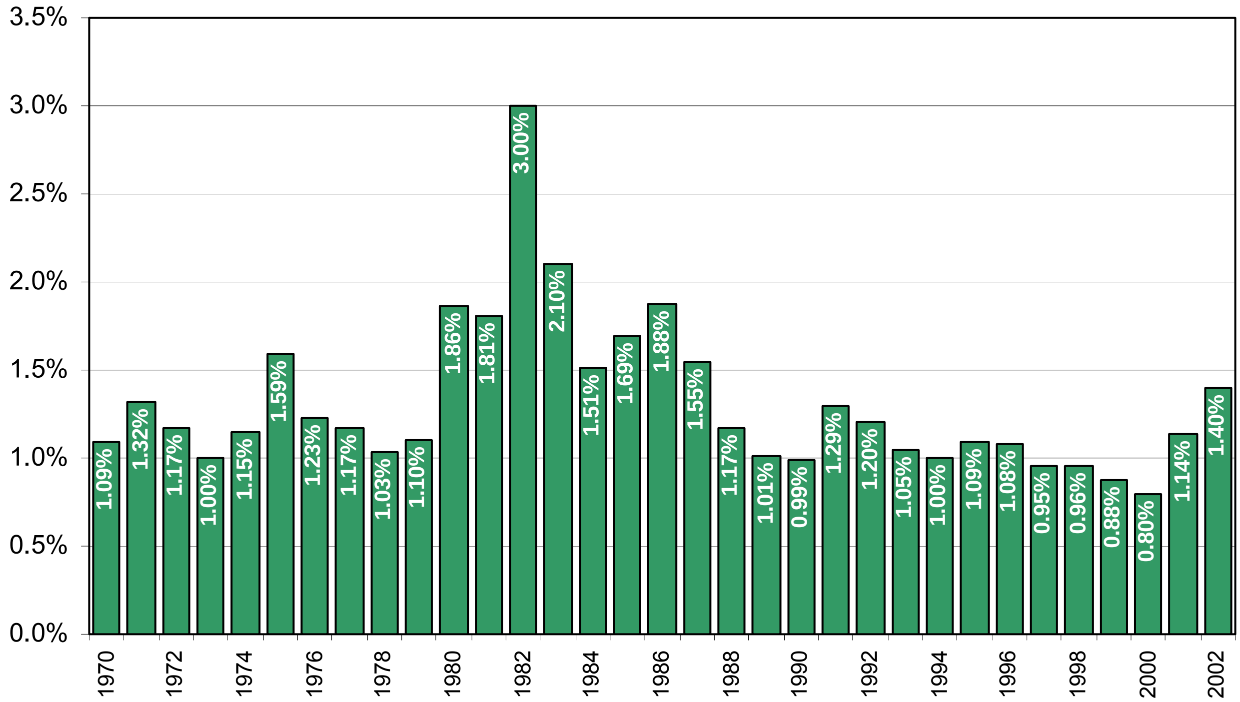


BENEFIT COST RATE

Benefits paid as a ratio of total covered wages is known as the UI cost rate. This is a useful measure in any analysis of UI program costs. The costs of the UI program made relative to total wages presents a good indicator of business cycles. FIGURE 5 presents a historical perspective of this measure.

In Idaho, total covered wages have been growing at a healthy rate. During the recessionary periods in the 1980s, the costs of the UI program relative to wages was clearly above non-recessionary periods. For example, in 1983, benefits were 3 percent of wages compared to about 1 percent during the period of 1993 through 2000 (FIGURE 5). CY2001 and CY2002 reversed the trend of the prior 10 years, however, as benefit cost rate ballooned to 1.4 percent of total wages in CY2002 because of the recessionary downturn in the economy.

FIGURE 5: Benefits Paid as a Percent of Totals Wages
1970-2002



EXPERIENCE RATING

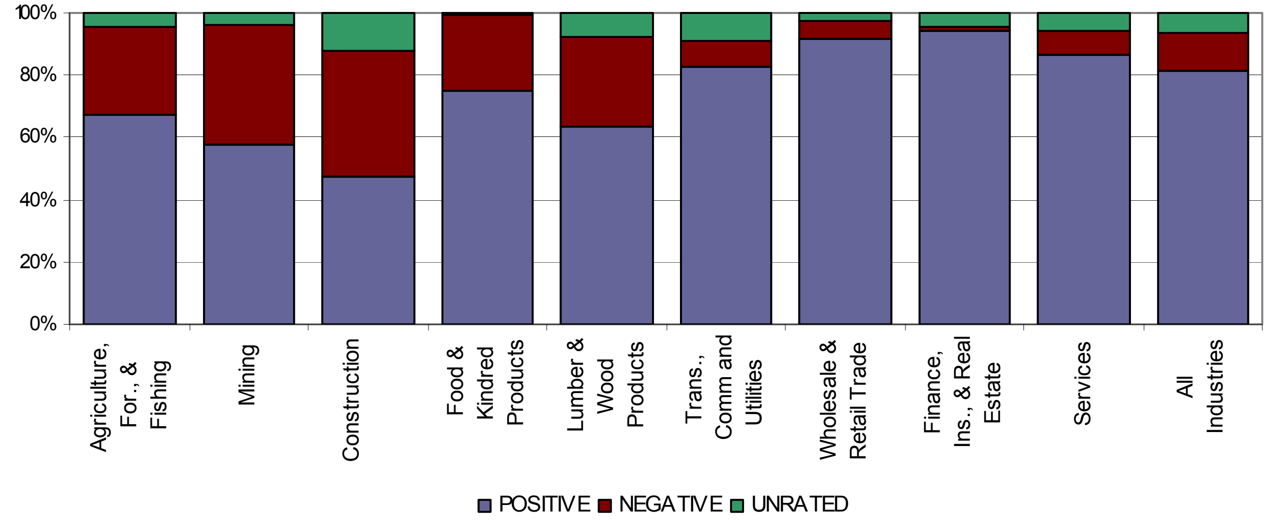
A tax on the payrolls of employers covered by Idaho's UI Law is the main source of the revenue to pay UI benefits. Experience rating is the process that determines the rates that individual covered employers pay on their workers.

Idaho is a reserve ratio state. Simply, a reserve ratio is the ratio of reserve in an employer's account to the employer's average taxable payroll over the last four years.

Rates are calculated and assigned on the basis of the individual employer's own UI experience and the employer's relationship to all other employers —the array method. A positive experience factor means the accumulated total of taxes paid by an employer is in excess of the accumulated total benefit payments paid. A negative experience factor means the accumulated total of benefit payments charged to an employer's account was in excess of the accumulated total taxes paid. Unrated employers are assigned a standard rate. The unrated group consists of new employers or those who have not filed necessary forms or paid all taxes due.

Most Idaho employers are positive rated. For rate year 2002, positive rated taxable payroll accounted for 81.2 percent of the total compared to 12.4 percent that were negative rated and 6.4 percent that were unrated (See FIGURE 6).

FIGURE 6: Positive, Negative & Unrated Accounts By Industry, 2003

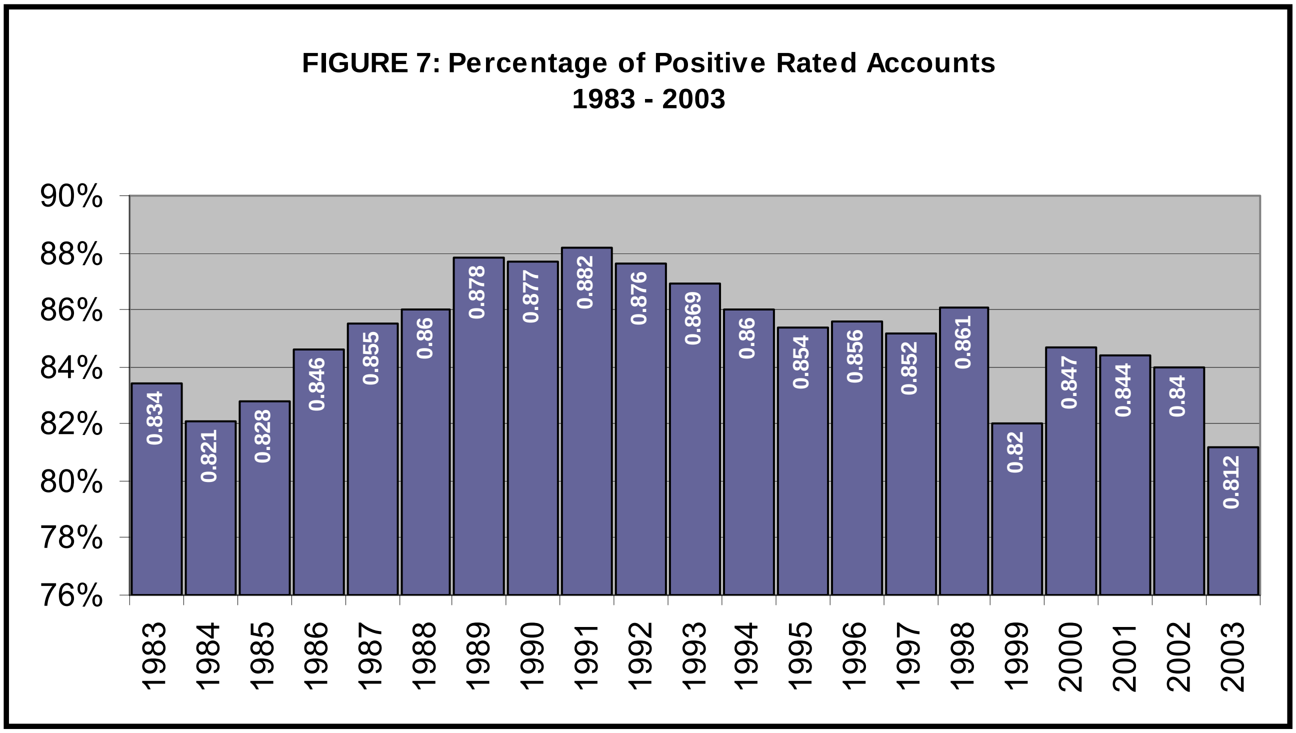


There has been a meaningful proportional shift in the distribution of taxable payroll according to the three categories of experience rating (positive, negative, and unrated). The change has been from the positive rated to the negative rated. The most probable cause for this is as a result of effects of a recessionary economy upon the "positive-negative" mix. The taxable payroll in the positive category in rate year 2003 was 81.2 percent compared to 84 percent in rate year 2001, 84.4 percent in rate year 2001, and 84.7 percent in rate year 2000. Conversely, the negative rated payroll was 12.4 percent in rate year 2003 compared to 10.1 percent in rate year 2002. In terms of number of employers, 1,402 positive rated employers in rate year 2002 moved to the negative rated category in rate year 2003, while only 278 negative rated employers moved to the positive rated category and 29,248 remained in the same grouping.

The mix among the positive, negative, and unrated taxable payroll varies greatly among the broad industry groupings. Generally the high cost industries such as Construction, Agriculture, and Lumber have the higher negative ratios, as shown in FIGURE 6. The obvious reason for this disparity is that these industries have seasonal employment patterns. For example, 40 percent of Construction employers are negative rated, whereas only 1.4 percent of Finance, Real Estate, & Insurance employers are negative rated.

Year to year, significant changes in the rating of employers can occur because of economic factors that affect particular industries. Business cycles often have meaningful effects upon particular industries when compared to previous years. This is particularly evident during our current period of economic recession. For example, the percentage of employers in the food and kindred products industry that were negative rated increased from 16.3 percent in rate year 2002 to 24.6 percent in rate year 2003. Often there is wide dispersion within the broad industry categories.

FIGURE 7 exhibits how economic downturns can drive down the percentage of positive rated



accounts. In 2003 the percentage of positive rated accounts is lower than during the severe recession of the early 1980s.

EXPERIENCING RATING: BENEFITS CHARGED AND NOT CHARGED

The charging and not charging of UI benefits to any tax rated employer account is an important factor in benefit costs and benefit financing because the noncharges represent costs that are born by all tax rated employers as pooled costs to the fund.

The experience rating system has imperfections, however. There are three reasons that benefits paid out do not increase the tax imposed upon an employer: (1) the employer is at the minimum or maximum tax rate (ineffectively charged benefits); (2) the employer is no longer operating (inactive charges); (3) the benefits are not charged back to the employer's account (noncharged benefits). Foremost among these factors is the non-charging of benefits.

According to Idaho Code, some UI benefits paid to unemployed workers are nonchargeable. Benefits are not charged to any individual employer's account for the following reasons:

- Benefits paid to a worker who voluntarily quits without good cause or was discharged for misconduct from the base period employer. (A claimant would initially be denied benefits under these two scenarios, but could overcome this disqualification by earning twelve times his/her benefit amount and then becoming unemployed through no fault of his/her own.)
- The proportion of benefits paid to multi-state claimants (wage combining) exceeded the benefits computed using only Idaho wages.

- Benefits were paid in accordance with an extended benefit program.
- Benefits were paid, but eligibility was subsequently reversed and the claimant was eligible for a waiver of the overpayment.
- Benefits paid to a worker who continues to work for the subject employer while receiving benefits because of layoff from another employer.

During FY 2003, $28.7 million in benefits were noncharged. These noncharges represent 16.8 percent of the total $170.6 million in UI benefits. This 16.8 percent of benefits non-charged in FY 2003, is down from the 17.9 percent noncharged in FY 2002. This is a logical outcome as during a recession a higher ratio of workers are likely to become unemployed because of reductions-in-force or business closures rather than the reasons listed above.

The data in TABLE 3 clearly show that there are meaningful differences in noncharged benefits by major industry categories. Generally, industries with seasonal layoff patterns show a lower percent of noncharged benefits. This is traditionally reflected in the higher tax rates paid by employers in those high cost industries.

TABLE 3: Benefits Charged and Not Charged and Percent of Benefits Not Charged to Employer Accounts by Major Industry for Fiscal Year 2003*

Major Industry Group (SIC)	Charged ($000)	Not Charged ($000)	Total Benefits ($000)	% of Benefits Not Charged
Agriculture, Forest & Fishing	$8,827	$1,010	$9,837	10.3%
Mining	1,183	265	1,447	18.3
Construction	34,578	4,749	39,327	12.1
Food & Kindred Products Mfg.	9,728	1,717	11,445	15.0
Lumber & Wood Products Mfg.	9,583	1,408	10,991	12.8
Other Manufacturing	20,779	2,559	23,338	11.0
Trans., Comm and Utilities	8,343	2,420	10,762	22.5
Wholesale Trade	7,469	1,838	9,307	19.7
Retail Trade	13,298	5,475	18,773	29.2
Finance, Ins., & Real Estate	2,736	840	3,576	23.5
Services	25,388	6,396	31,785	20.1
Total*	$141,911	$28,673	$170,583	16.8%

*Columns may not add because of rounding.

BENEFITS

The last several years, prior to FY2002, there had been progressively new record low insured unemployment rates. These record-low rates are, no doubt, a result of a vibrant Idaho economy and a healthy job market. The $115.6 million paid from the fund in FY2001 is 21.37 percent higher than the $95.3 million paid out in FY2000. This occurred partly because the maximum weekly benefit amount paid during FY2001 was $315 compared to $296 paid during FY2000—a 3 percent increase.

The change from FY2001 to FY2002 takes a drastic, 180 degree turn in a negative direction – the $172.4 million paid from the trust fund in FY 2002 is almost 50 percent higher than the $115.6 paid in benefits in FY2001. The reason is, of course, a result of the downturn in the economy and the layoffs that resulted. The FY2003 payout at 170.6 million is essentially unchanged from FY2002 as FY2003 continued to mirror the recessionary benefit pay outs of the prior year.

The net benefits paid out as a ratio of total wages is a meaningful, relative measure of benefit levels. The computation of this ratio produces a measure referred to as the "cost-rate." TABLE 4 graphically shows that the cost rate for Idaho in CY2000 is the lowest rate, at .8 percent in the last 25 years. The cost rate for CY2001 was 1.14 percent, and up to 1.4 percent in 2002.

TABLE 4: Cost Rate

Net UI Benefits Paid as a Percent of Total Wages of Experience Rated Employers

Calendar Year	Idaho Total Wages ($millions)	Idaho Net UI Benefits ($millions)	Idaho %	United States %*
1978	$2,613	$25.8	0.99%	0.97%
1979	2,917	34.5	1.18	0.96
1980	3,103	57.3	1.85	1.43
1981	3,394	59.8	1.76	1.23
1982	3,352	106.3	3.17	1.83
1983	3,581	74.9	2.09	1.51
1984	3,870	56.4	1.46	0.92
1985	4,059	68.3	1.68	0.95
1986	4,068	76.3	1.88	0.99
1987	4,248	66.0	1.55	0.81
1988	4,635	54.6	1.18	0.69
1989	5,062	51.3	1.01	0.85
1990	5,605	55.3	0.99	0.90
1991	5,962	77.2	1.29	1.20
1992	6,540	78.2	1.20	1.10
1993	7,094	74.4	1.05	0.92
1994	7,816	78.3	1.00	0.86
1995	8,453	91.8	1.09	0.80
1996	8,909	95.8	1.08	0.76
1997	9,515	90.6	0.95	0.64
1998	10,174	97.6	0.96	0.58
1999	11,052	97.3	0.88	0.57
2000	12,329	98.8	0.80	0.60
2001	12,364	140.7	1.14	0.82
2002	12,419	173.3	1.40	1.12

*Source: UI Data Summary, Office of Workforce Security Actuarial Services

TABLE 5: Schedules of Taxable Wage Rates

Effective January 1, 1998

				Schedules								
				I	**II**	**III**	**IV**	**V**	**VI**	**VII**	**VIII**	**IX**
Minimum Ratio of Fund to Total Wages												
Ratio Computed for 2001				**0.020**	**0.015**	**0.010**	**0.005**	**ACM**	**-0.005**	**-0.010**	**-0.015**	-
Cumulative Taxable Payroll Limits												
Rate Class	More Than (% of Taxable Payroll)	Equal to or Less Than (% of Taxable Payroll)	% Per Rate Class	Taxable Wage Rates for **Positive-Rated** Employers								
1	-	12	12	0.1	**0.2**	0.4	0.8	1.2	**1.6**	2.0	2.2	2.4
2	12	24	12	0.2	**0.4**	0.6	1.0	1.4	**1.8**	2.2	2.4	2.6
3	24	36	12	0.4	**0.6**	0.8	1.2	1.6	**2.0**	2.4	2.6	2.8
4	36	48	12	0.6	**0.8**	1.0	1.4	1.8	**2.2**	2.6	2.8	3.0
5	48	60	12	0.8	**1.0**	1.2	1.6	2.0	**2.4**	2.8	3.0	3.2
6	60	72	12	1.0	**1.2**	1.4	1.8	2.2	**2.6**	3.0	3.2	3.4
7	72	-	28	1.2	**1.4**	1.6	2.0	2.4	**2.8**	3.2	3.4	3.6
				Taxable Wage Rates for **Standard-Rated** Employers								
				1.3	**1.5**	1.7	2.1	2.5	**2.9**	3.3	3.5	3.7
Cumulative Taxable Payroll Limits												
Rate Class	More Than (% of Taxable Payroll)	Equal to or Less Than (% of Taxable Payroll)	% Per Rate Class	Taxable Wage Rates for **Deficit-Rated** Employers								
-1	-	30	30	2.4	**2.6**	2.8	3.2	3.6	**4.0**	4.4	4.6	4.8
-2	30	50	20	2.8	**3.0**	3.2	3.6	4.0	**4.4**	4.8	5.0	5.2
-3	50	65	15	3.2	**3.4**	3.6	4.0	4.4	**4.8**	5.2	5.4	5.6
-4	65	80	15	3.6	**3.8**	4.0	4.4	4.8	**5.2**	5.6	5.8	6.0
-5	80	95	15	4.0	**4.2**	4.4	4.8	5.2	**5.6**	6.0	6.2	6.4
-6	95	-	5	5.4	**5.4**	5.4	5.4	5.6	**6.0**	6.4	6.6	6.8
Average Tax Rate for Positive-Rated, Standard				1.0	**1.2**	1.4	1.8	2.2	**2.6**	3.0	3.2	3.4

Blue - Freeze

Red - Forecasted 2004 triggered schedule

TAXES

During CY2002, $100.2 million in taxes were paid into the fund. This is an increase of about 5 percent over the $98.1 million collected in CY2001. Due to the current legislated tax freeze, the same rate schedule was in effect both years.

In FY2001, $117.78 in UI benefits were paid out from the fund for every $100 paid into the fund in taxes. In FY 2002 that ratio balloons to $176.34, another indicator of the recessionary pressure on the fund. In this relative measure there are major differences evident when the data are viewed on a major industry basis (See TABLE 6). For example, the Mining industry in FY2002 paid out $295.90 in benefits for each $100 paid in contributions. On the other extreme, Finance, Real Estate & Insurance paid out $82.68 for each $100 paid in.

TABLE 6 clearly reveals that recessions produce major differences in the ratios between benefits paid out and tax revenue paid into the fund by broad industry groupings. TABLE 6 clearly documents that every broad industry grouping in rate year 2003 shows an increase in this relative measure, whereas in non-recessionary years there have been reductions in some categories along with some increases.

Meaningful changes in the relationships among the major industries over time are also evident in the data. There are many reasons why these phenomena occur in addition to the most obvious—rate schedules. But the underlying basis for differences are changes in business cycles. Some other meaningful factors include: changes in the taxable wage base, changes in wage levels, layoffs in particular industries, changes in use of temporary and/or part-time workers, and worker turnover.

TABLE 6: Benefits Paid Per $100 of Employer Unemployment Insurance Tax* by Major Industry Group

(fiscal year)

Major Industry Group (SIC)	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Agriculture, For., & Fish	$136.06	$130.22	$177.30	$121.93	$108.62	$130.51	$142.14	$125.41	$131.44	$153.59
Mining	320.65	179.98	108.41	108.11	111.65	204.36	213.62	159.06	263.54	295.90
Construction	147.23	128.63	162.05	153.24	152.31	199.85	187.84	146.59	162.39	231.46
Food & Kindred Products Mfg.	116.00	124.04	149.83	123.63	122.53	153.47	136.34	153.87	137.24	198.27
Lumber & Wood Products Mfg.	138.40	142.98	223.51	194.05	198.61	187.55	201.76	199.73	269.15	248.45
Other Manufacturing	63.71	61.15	64.63	59.18	64.07	68.55	91.48	63.09	111.09	272.73
Trans., Comm and Utilities	82.91	106.18	116.63	98.90	100.81	115.13	109.53	93.08	105.56	168.04
Wholesale Trade	91.63	75.88	84.46	65.11	65.52	86.68	96.21	85.57	95.61	141.42
Retail Trade	65.19	73.13	84.72	69.32	68.66	82.40	94.93	80.75	86.86	126.31
Finance, Ins., & Real Estate	46.18	47.77	83.39	69.18	68.69	59.43	55.49	73.56	61.30	85.68
Services	59.03	71.12	76.42	68.86	67.71	80.89	95.56	75.74	81.86	126.04
Total*	$ 93.74	$ 94.61	$114.53	$ 96.43	$ 96.15	$115.04	$121.86	$103.78	$117.78	$176.34

*Includes state share of extended benefits.

AVERAGE TAX RATES

Taxable wages are the wages that the tax rate schedules are applied against. A covered employer pays UI tax on an individual worker's earnings that do not exceed the taxable wage base. The taxable wage base in 2003 was $27,600. The average tax rates described are average rates based upon taxable wages.

TABLE 7: Average Rates, Weighted Average Rates, Number of Employers, & Percent in Each Rate Class[a] by Major Industry, Rate Year 2003

Major Industry Group (SIC)	Average Rate[b]	Weighted Average Rate[c]	# of Employers	Rate Classes													
				0.2	0.4	0.6	0.8	1.0	1.2	1.4	1.5	2.6	3.0	3.4	3.8	4.2	5.4
Agriculture, For., & Fish	1.8	1.7	2,219	9	5	4	4	8	11	17	17	4	4	3	5	7	3
Mining	2.2	2.1	141	10	2	2	3	8	5	18	14	4	7	6	9	9	6
Construction	2.0	2.2	6,524	4	2	2	2	5	7	21	26	4	4	4	6	9	3
Manufacturing	1.9	1.3	2,097	8	5	4	4	7	8	20	16	3	3	3	4	8	7
Food & Kindred Products	1.2	1.5	139	12	8	9	8	11	11	19	14	4	2	1	2	1	1
Lumber & Wood Products	3.0	1.8	637	4	2	2	2	4	4	13	11	2	3	3	7	23	20
Trans., Comm and Utilities	1.5	1.0	2,057	12	6	4	3	7	11	21	21	2	2	2	3	4	3
Wholesale & Retail Trade	1.2	1.0	9,522	15	8	6	6	8	10	20	20	2	2	1	2	1	0
Finance, Ins., & Real Estate	1.1	0.8	3,020	13	8	7	5	8	12	21	21	1	1	1	1	1	0
Services	1.2	1.1	14,337	13	7	6	5	7	10	23	22	2	1	1	1	1	0
Total[d]	1.4	1.2	39,917	11	6	5	4	7	9	21	24	2	2	2	3	3	2

a-Computation includes wages, tax, benefits paid through 6/30/03.
b-Average Rate = Sum of Rates Number in Group.
c-Weighted average Rate = (Sum of Rates x Taxable Payroll) Total Taxable Payroll.
d-Rows may not add because of rounding.

There are two average tax rates in this publication (See TABLE 7): The average based upon the rates paid by the number of employers and the average rates which are weighted by employers' taxable payroll. For example, the average rate in rate year 2003 in the lumber industry was 3.0 percent, whereas the average rate, weighted by taxable wages, was 1.9 percent. In contrast, the average in the Agriculture, Forestry, and Fisheries was 1.8 percent, and the weighted average was 1.7 percent.

For total Idaho employers, the average rate and the weighted average rate were the same in rate year 2003 as they were in rate year 2002. The average rate in rate year 2003 was 1.4 percent, and the average weighted by taxable payroll was 1.2 percent. Rate Schedule II was in effect both years.

Some of the more significant data in TABLE 7 are the differences among industry groups. There is a pronounced variation by major industries, with the higher cost industries having larger representation in the high rate categories—another indication of the effectiveness of Idaho's experience rating structure.

Care must be taken when analyzing averages, however, as oftentimes averages can conceal more than they reveal. In the case of average tax rates, individual employers or subgroups of employers in each broad industry can vary widely from the average.

TAXABLE-TOTAL RATIO

The taxable-total ratio is the percent of total wages against which tax rates are actually applied. This ratio is an important measure in the financing of the UI program because it is an indicator of cross-subsidization of program costs among the various industry groups. Historical data clearly shows that there are wide variations in the taxable-total ratios of the major industry grouping. (See TABLE 8.)

TABLE 8: Ratio of Taxable Wages to Total Wages by Major Industry, CY1989-CY2002

Major Industry Group (SIC)	1994	1995	1996	1997	1998	1999	2000	2001	2002
Agriculture, For., & Fish	0.84	0.84	0.85	0.83	0.86	0.86	0.86	0.87	0.89
Mining	0.60	0.59	0.60	0.57	0.58	0.58	0.57	0.61	0.61
Construction	0.73	0.73	0.73	0.71	0.73	0.74	0.74	0.73	0.75
Food & Kindred Products Mfg.	0.74	0.72	0.73	0.68	0.71	0.72	0.72	0.74	0.76
Lumber & Wood Products Mfg.	0.66	0.66	0.65	0.63	0.66	0.64	0.64	0.68	0.69
Other Manufacturing	0.54	0.52	0.55	0.55	0.57	0.52	0.45	0.56	0.57
Trans., Comm and Utilities	0.64	0.64	0.65	0.64	0.65	0.66	0.66	0.66	0.66
Wholesale Trade	0.66	0.67	0.66	0.64	0.65	0.63	0.63	0.64	0.65
Retail Trade	0.81	0.81	0.81	0.80	0.81	0.80	0.80	0.80	0.81
Finance, Ins., & Real Estate	0.65	0.64	0.64	0.62	0.62	0.61	0.61	0.62	0.63
Services	0.65	0.64	0.64	0.63	0.64	0.65	0.65	0.64	0.57
Total*	0.68	0.67	0.67	0.66	0.67	0.66	0.64	0.66	0.66
Taxable Wage Base	$20,400	$21,000	$21,600	$21,000	$23,000	$23,600	$24,500	$25,700	$27,600

Some other significant factors that affect the ratio of taxable to total wages are seasonality in employment patterns, wage levels, worker turnover, part-time and/or temporary worker patterns, and, of course, business cycle effects.

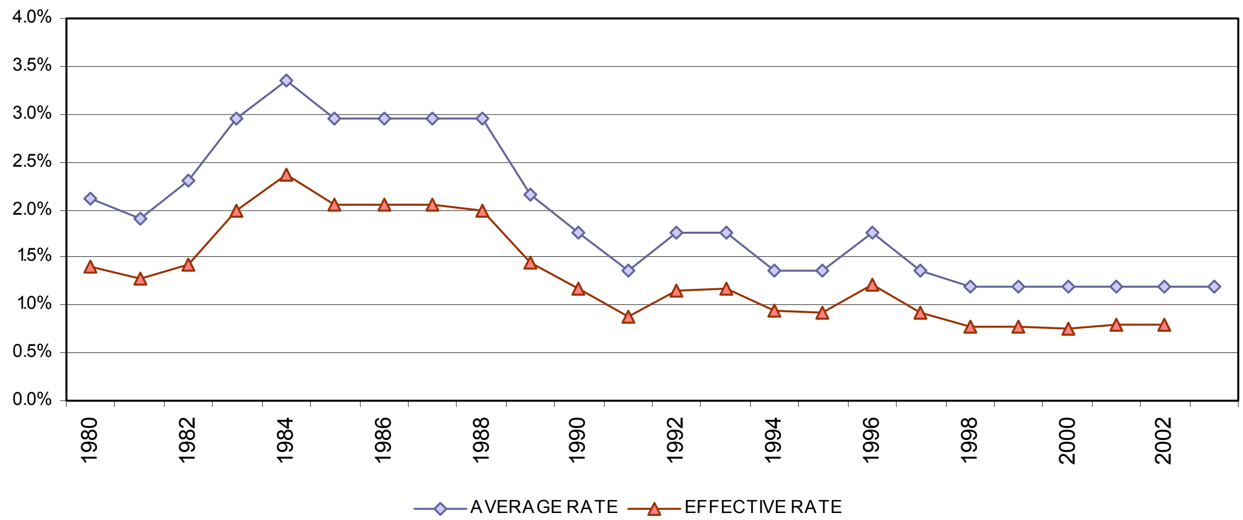
Even though differences exist between major industries in the ratios, there have been only relatively small changes in the relationships between the industries since the indexing of the taxable wage base to wages, which started in 1976.

This indexing has resulted in an impressive stability in the taxable-total ratio. Since 1976, the percent of total wages that is taxed for all Idaho industries has varied little, remaining at about 67 percent. This stability has been maintained over several changes in the business cycle, including periods of rapid expansion in the economy; periods of deep, prolonged recession; periods of economic recovery; and periods of substantial wage inflation.

EFFECTIVE TAX RATE

Effective tax rate is the tax rate employers pay based upon total covered wages as opposed to the taxable wages discussed in a previous section. The effective tax rate is defined as taxes paid by employers divided by total covered wages times 100. Its usefulness lies in the fact that valid comparisons can be made with other states, by industry and over periods of time. Most important is the fact that the effective tax rate makes allowances for differences in tax rate schedules, tax bases, and tax laws, and provides a common basis for evaluation.

FIGURE 8: Average Rates & Average Effective Tax Rates



The average effective tax rate in CY2002 was 0.8 percent of total wages, the same as in years 2001 and 2002.

The tax schedule in effect for any given year is the major contributor to the effective tax rate. Tax rate schedule II was in effect in CY2001 and CY2002. Which tax schedule is in effect is an outcome of Idaho's indexed tax rate formula, which also takes into consideration many other factors such as the size of trust fund, the size of total Idaho covered payroll, and average costs of benefits. However, this formula was not used in rate year 2002. The Idaho Legislature froze the rate year 2001 effective schedule II to be ineffective in rate years 2002, 2003, and 2004.

There are significant differences in the effective tax rate among the various broad industries, with the high cost industries showing the higher tax rates, which is consistent with the objectives of an experience rating tax system. Over time, however, the relative differences between the various industry categories have remained reasonably constant.

TABLE 9: Effective Tax Rate* by Major Industry, FY1989-FY2002

Major Industry Group (SIC)	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Agriculture, Forest, & Fish	2.01	1.65	1.36	1.78	1.88	1.63	1.63	1.89	1.85	1.52	1.42	1.45	1.43	1.42
Mining	1.57	1.34	1.02	1.23	1.33	1.15	1.05	1.37	1.14	0.83	0.84	0.95	1.03	1.07
Construction	2.17	1.79	1.49	1.78	1.87	1.66	1.66	1.97	1.63	1.48	1.47	1.52	1.49	1.43
Food & Kindred Products Mfg.	1.86	1.51	1.26	1.69	1.68	1.37	1.31	1.59	1.37	1.07	1.01	1.05	1.05	1.03
Lumber & Wood Products Mfg.	1.72	1.49	1.18	1.42	1.38	1.16	1.09	1.34	1.29	1.04	1.04	1.02	1.14	1.20
Other Manufacturing	1.22	0.98	0.72	0.92	0.92	0.68	0.66	0.92	0.78	0.61	0.54	0.93	0.55	0.56
Trans., Comm and Utilities	1.14	0.91	0.65	0.90	0.91	0.72	0.70	0.98	0.82	0.68	0.65	0.65	0.67	0.67
Wholesale Trade	1.35	1.04	0.79	1.07	1.05	0.82	0.80	1.05	0.89	0.70	0.67	0.67	0.66	0.66
Retail Trade	1.51	1.20	0.87	1.20	1.20	0.90	0.91	1.22	1.03	0.80	0.73	0.75	0.75	0.75
Finance, Ins., & Real Estate	1.11	0.80	0.53	0.75	0.75	0.59	0.58	0.91	0.76	0.54	0.53	0.52	0.54	0.56
Services	1.23	0.98	0.72	0.98	1.02	0.82	0.80	1.07	0.93	0.74	0.69	0.70	0.70	0.71
Total**	1.45	1.17	0.89	1.16	1.18	0.95	0.92	1.21	1.05	0.83	0.78	0.77	0.80	0.80

*Effective Tax Rate = (Tax , Total Wages) x 100

COVERED LABOR FORCE

Covered labor force is covered employment plus covered unemployment. In 2002, Idaho's annual average covered labor force was 474,197 workers—up 0.9 percent from the 470,143 covered workers recorded in the 2001 labor force. The percent increase of 0.9 in 2002 over 2001 dramatically shows a decrease in growth of the covered labor force as an outcome of the downturn in the economy. The 2001 covered labor force was up 1.95 percent over 2000, and the 2000 labor force was up 3.8 percent over 1999. The several years of rather dramatic growth that occurred in Idaho's covered labor force in 2001 emphasizes one of the major effects of the business cycle downturn that began with CY2001 data.

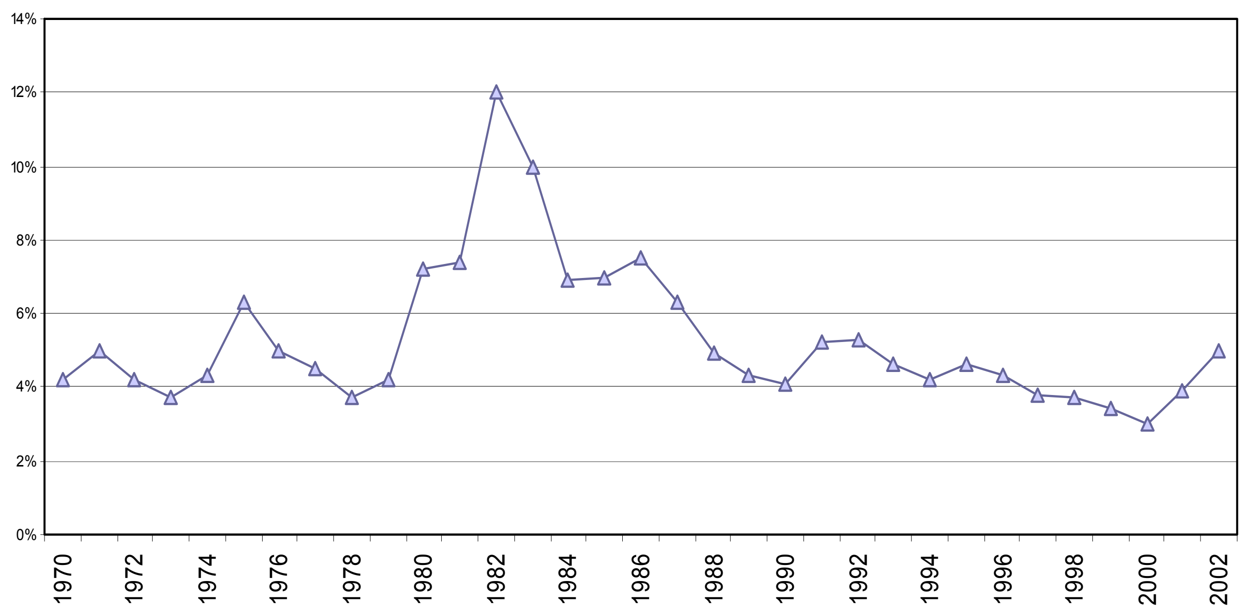
COVERED UNEMPLOYMENT

Covered unemployment was an annual average of 23,707 workers in 2002, which represents 5.0 percent of the covered labor force.

The 3.0 percent of the covered labor force that was unemployed in CY2000 was the lowest rate in the previous 31 years. The covered unemployment rate in CY2001 grew almost 4 percent to 3.9 percent. The increase, a significant change from the last several years (5 percent in 2002) demonstrates the outcome that a recession produces. The 5 percent of the labor force that was unemployed in CY2002 is the highest recorded in the last ten years but does not approach the 13.6 percent of 1982, the most severe recessions year.

The annual average 23,707 covered workers unemployed in 2003 was 5,519 above the prior year level—a 30 percent increase, and 9,734 higher than the 13,973 reports for CY2000—a 70 percent increase.

FIGURE 9: Covered Workers Unemployed as a Percent of Covered Labor Force



COVERED EMPLOYMENT

For the first time since the recession year of 1982, annual covered employment decreased in 2002 from the prior year. While the reduction was only 1,551 workers, it graphically shows that the business downturn has far reaching effects on the number of covered workers, particularly in light of the substantial growth that had occurred in the decade of the 90s. For example, the increase of CY2000 over CY1999 was 17,888 covered workers. This produced an annual average growth rate of 4.2 percent. The growth rate in 2001 over 2000 was only 1.1 percent, indicative of the beginning of a recession downturn.

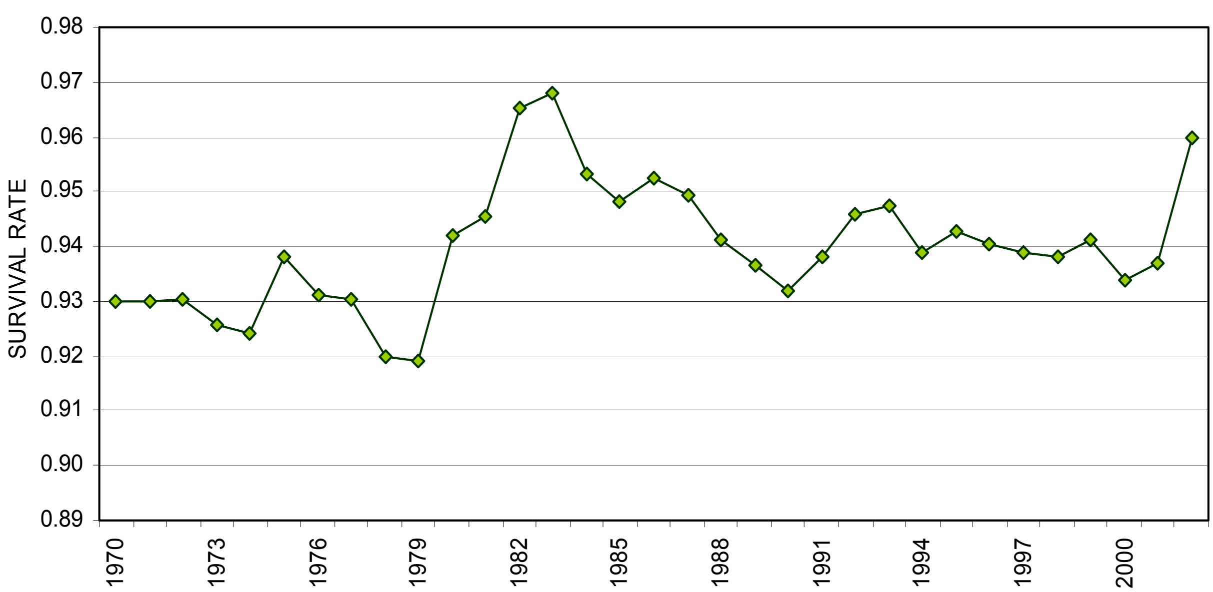
SURVIVAL RATE

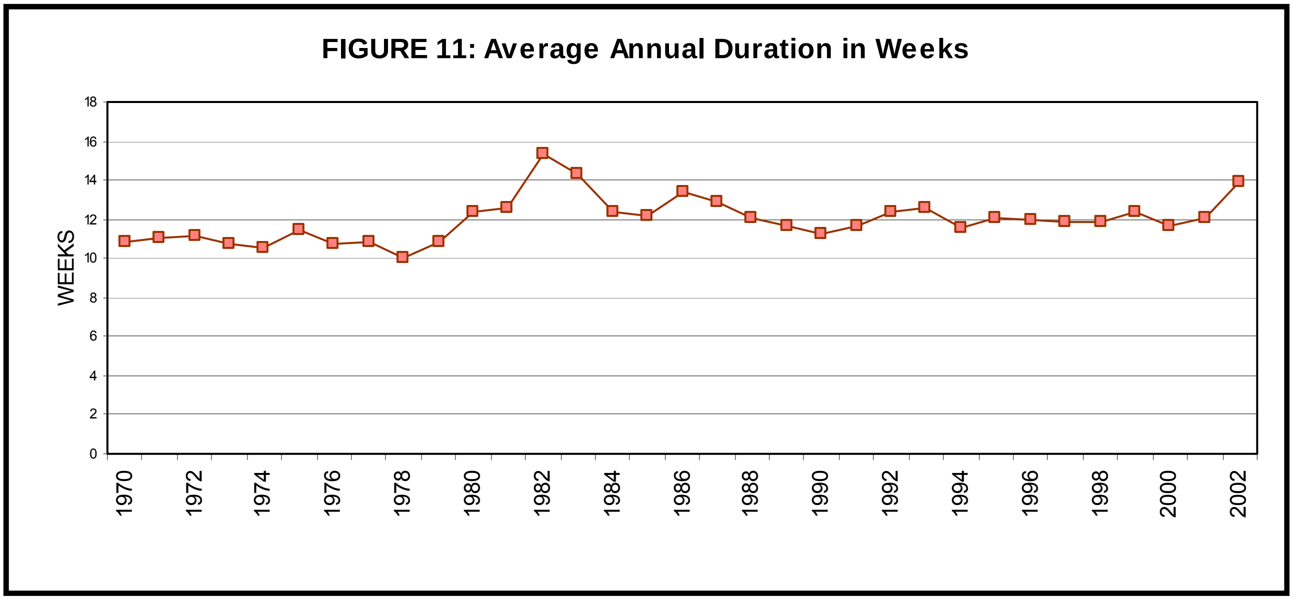
Survival rate is the average proportion of those claimants who have experienced "X" number of weeks of insured unemployment who go on to experience at least one more week within a benefit year. A time series of the survival rate is presented in FIGURE 10. This clearly shows a major up-tick when compared to the previous 20 years. Not since the recession of 1980—1983 has the survival rate grown so dramatically the 0.96 rate is the highest since 1982.

AVERAGE DURATION OF BENEFITS

The average annual duration of benefits reported for CY2002 mirrors the cyclical patterns recorded for the survival rate. The average duration benefits in 2002 was 13.9 weeks, which was the highest average since the 14.3 weeks in the recession year, 1983. Additionally, the 13.9 weeks was 2.2 weeks more than the 11.7 weeks in 2000.

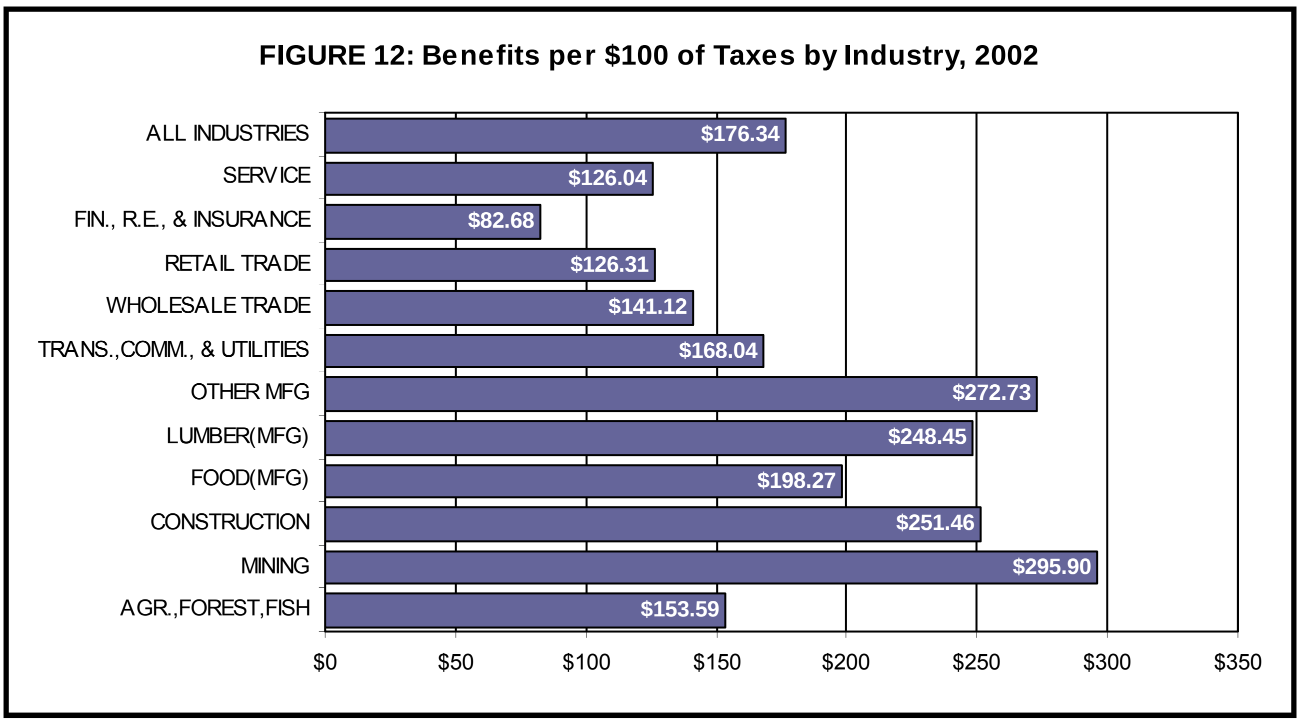
FIGURE 10: Average Annual Survivial Rate





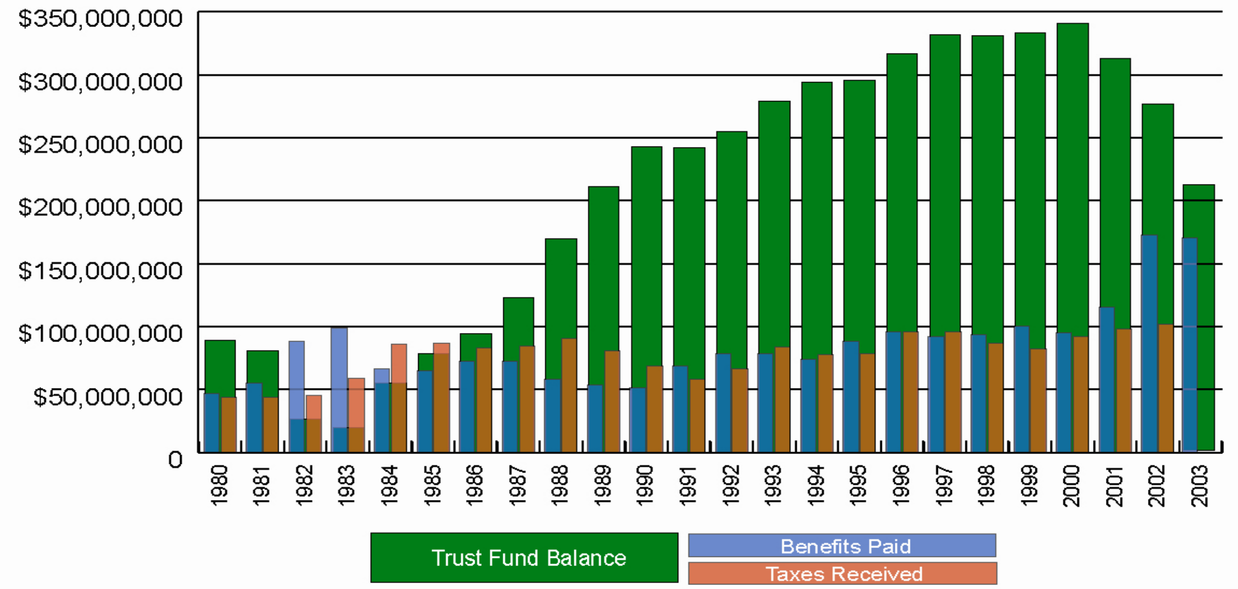
SUMMARY OF FACTORS SIGNIFICANTLY AFFECTING UI COSTS AND UI TAX RATES IN IDAHO

The recent recession has significantly impacted the inflow and outflow of the UI trust fund. Only the Finance, Real Estate and Insurance industry paid more taxes into the fund than its employees received in benefits from the fund. FIGURE 12 illustrates the benefits paid out of the fund for every $100 of taxes contributed to the fund by industry.



Over the past three years, the recession and the tax freeze have significantly impacted the solvency of the UI trust fund. Figure 13 depicts the inflow and outflow of the fund and the resulting balance.

FIGURE 13: Trust Fund Balance, Taxes Received, and Benefits Paid
1980 - 2003



EXHAUSTION OF BENEFITS

The ratio of claimants who received a first payment to claimants that received a final payment (exhausted benefits) was .37 in 2003, which was .02 above the .35 exhaustion rate in 2002.

TABLE 10 : First and Final Payments
1980—2003

Year	First Pay ($)	Final Pay ($)	Final Pay	Percent	Year	First Pay ($)	Final Pay ($)	Ratio	Percent
1980	$50,188	$14,892	0.297	29.7%	1992	$46,156	$16,010	0.347	34.7%
1981	49,097	16,297	0.332	33.2	1993	41,134	14,689	0.357	35.7
1982	58,937	28,418	0.482	48.2	1994	44,924	13,984	0.311	31.1
1983	46,926	26,176	0.558	55.8	1995	48,724	15,291	0.314	31.4
1984	41,995	18,567	0.442	44.2	1996	48,788	14,744	0.302	30.2
1985	47,125	18,186	0.386	38.6	1997	45,116	13,055	0.289	28.9
1986	46,776	17,844	0.381	38.1	1998	46,120	12,688	0.275	27.5
1987	41,160	15,082	0.366	36.6	1999	43,684	12,536	0.287	28.7
1988	37,626	11,408	0.303	30.3	2000	45,292	11,219	0.248	24.8
1989	36,539	10,069	0.276	27.6	2001	57,109	14,541	0.255	25.5
1990	39,990	9,837	0.246	24.6	2002	59,570	21,031	0.353	35.3
1991	48,116	13,991	0.291	29.1	2003	59,867	22,360	0.373	37.3

FEDERAL-STATE EXTENDED BENEFIT PROGRAMS

FEDERAL-STATE EXTENDED BENEFITS (FSE)

CY2002 was the first year since 1987 that Idaho claimants were paid Federal-State Extended benefits (FSE). From March 24, 2002, to June 22, 2002, $88,801 in FSE benefits were paid to 212 Idaho claimants. The payment of FSE benefits under this program was cut-short because of the intervention of another extended compensation program — Temporary Extended Unemployment Compensation (TEUC), which took precedence over FSE. TECU is 100 percent federally funded program. There was a very short window during which those claimants who exhausted TEUC benefits could be eligible for FSE benefits.

Without question, the most costly period of FSE benefits was during the height of the severe recession that ended in 1983. During the trigger-on period beginning October 3, 1981 until FSE triggered off on July 2, 1983, $33.3 million in benefits were paid. One-half, or $16.7 million, was paid from Idaho's UI trust fund.

The longest period of time that benefits were paid under this program was from January 1, 1975, through January 7, 1978. Benefits totaling $10.4 million dollars were paid out in that series. During this time frame, a national FSE period was in effect, based upon a nationwide insured unemployment rate. The Omnibus Budget Reconciliation Act of 1981 eliminated the national trigger.

EMERGENCY UNEMPLOYMENT COMPENSATION (EUC)

EUC was a 100 percent federally funded program that provided for payment of "emergency unemployment compensation to individuals who had exhausted their rights to regular benefits under state law." From the inception of this law, there was a multitude of extensions and/or benefit duration changes. These changes were too complex and numerous to detail in this short description, but the enormity of the program's payments to Idahoan's must be chronicled even though no trust fund payout was involved in the program.

From the beginning date, November 17, 1991, through the end of the fiscal year on June 30, 1993, $54.8 million in EUC benefits were paid to Idaho claimants.

FEDERAL SUPPLEMENTAL BENEFITS (FSB)

The Emergency Unemployment Compensation Act of 1974, as amended in 1975 and 1977, provided Federal Supplemental Benefits (FSB) of up to 26 weeks to claimants who had exhausted their UI and FSE benefits. Idaho first triggered into this federally funded program January 4, 1975, with payments continuing through October 1976. It triggered on again in January 1977. The FSB program ended January 31, 1978. A total of $5,280,600 was paid to FSB recipients in Idaho while the program was in effect; however, none of this amount was paid from Idaho's UI trust fund.

ADDITIONAL EXTENDED BENEFITS (AEB)

Additional Extended Benefits (AEB) became effective March 7, 1982. The benefits were provided to Idaho claimants who had exhausted both regular and FSE benefits. The law, enacted by the Idaho Legislature in 1982, was a one-time extension of benefits which expired December 31, 1982.

Claimants were paid up to one-half of their entitlement for regular benefits which was from Idaho's UI trust fund. While AEB was in effect, $5,458,973 in benefits were paid.

FEDERAL SUPPLEMENTAL COMPENSATION (FSC)

Federal Supplemental Compensation (FSC) was a temporary extended benefit program wholly funded by federal general revenues. The FSC Act of 1982 became effective September 12, 1982, and was scheduled to end March 31, 1983. It was subsequently amended several times to extend the expiration date.

The maximum duration of benefits payable under the original act was 50 percent of a claimant's entitlement of regular benefits up to 10 weeks. To be eligible for these benefits a claimant must have exhausted all other additional compensation available under the regular and FSE programs.

The FSC program was phased out on March 31, 1985. From the beginning date of the program on September 12, 1982, through July 1985, $37,950,846 in benefits were paid.

TABLE 11: Developments in Temporary Extended Benefit Programs

Beginning Date	Ending Date	Type of Program	Weeks Compensated	Benefits Paid ($)
2/5/1961	4/8/1961	TEB	17,965	$579,673
4/8/1961	6/30/1962	TEUC	50,117	1,531,544
1/7/1962	4/30/1962	TEB	30,829	1,041,080
2/3/1963	7/13/1963	TEB	21,860	737,316
1/23/1971	10/2/1971	FSE	28,206	1,273,466
1/2/1972	2/5/1972	FSE	12,930	629,887
4/9/1972	10/7/1972	TC	19,186	1,004,068
1/4/1975	1/7/1978	FSE	160,728	10,377,551
4/15/1978	7/8/1978	FSE	9,770	732,428
2/25/1979	6/9/1979	FSE	18,413	1,590,018
2/2/1980	6/27/1981	FSE	124,122	11,501,670
10/3/1981	7/2/1983	FSE	294,304	33,253,865
9/12/1982	3/31/1985*	FSC	350,728	37,950,846
3/18/1984	6/16/1984	FSE	41,494	4,842,212
3/31/1985	6/29/1985	FSE	35,846	4,385,481
2/22/1986	5/17/1986	FSE	33,614	4,279,499
3/15/1987	5/30/1987	FSE	32,006	4,287,009
3/24/2002	6/22/2002	FSE	395	88,801

*FSC phased out, no new claims after 3/31/85

DISASTER UNEMPLOYMENT ASSISTANCE (DUA)

Disaster Unemployment Assistance is a federally financed program designed to provide for payment of benefits to individuals unemployed because of major disasters as well as provide funds to State Employment Security agencies to administer the program.

The program was authorized by section 407 of the Disaster Relief Act of 1974 and became effective April 1, 1974. Responsibility for administering the Act was delegated to the Federal Disaster Assistance Administrator (FDAA). The FDAA in turn delegated to the Secretary of Labor the responsibility of administering the payment of DUA.

Since the beginning of the program, DUA benefit payments have been paid to unemployed Idaho workers because of five separate disasters.

The first and most significant was the Teton Dam disaster in June 1976. As a result of this disaster, 3,092 Idahoans received benefit payments, and $1,068,382 total benefits were paid.

The second disaster was the Mt. St. Helens disaster in May 1981. There were 128 initial claims filed because of the disaster, $25,638 in benefits were paid out.

The third event was the Borah Peak earthquake in October 1983. There were 17 initial claims filed because of this disaster, $6,857 in benefits were paid out.

The fourth period that DUA was paid resulted from winter/spring flooding from high water runoff in 1997. Through December 13, 1997, 307 claimants were paid DUA in the amount of $35,204.

The fifth period of DUA was the result of the devastating 2000 fire season. A total of 15 counties were declared disaster areas. As of December 2, 2000, a total of $40,149 was paid to 55 claimants.

TRADE READJUSTMENT ALLOWANCES (TRA)

Trade Readjustment Allowances under the Trade Act of 1974 is a federally financed program that is only available to workers who lose their jobs as a result of increased imports.

The weekly benefit amount of TRA benefits is generally the same as the state unemployment benefits a worker received before exhausting those benefits. During the 1980s and ending with fiscal year 1989, $3.2 million in TRA benefits were paid to Idaho workers. From FY1990 through FY2003 3,658 claimants were paid $8.5 million in TRA benefits. In FY2003 $3,401,328 were paid in TRA benefits.

APPENDIX I

MAJOR HISTORICAL DEVELOPMENTS IN THE BENEFIT FORMULA & ELIGIBILITY REQUIREMENTS

1938 The benefit formula put in effect September 1938 provided for weekly benefit amounts (WBA) ranging from $5 to $15 with duration of three to eighteen weeks. It also provided for three waiting weeks.

1939 In April 1939, the maximum WBA was raised to $18 and duration was changed to a minimum of seven weeks and a maximum of 17 weeks. The waiting period was reduced to 2 weeks.

1947 In July 1947, the WBA was increased to a minimum of $10 and a maximum of $20. Duration was increased to a minimum of 10 weeks and a maximum of 20 weeks, and the waiting period was reduced to one week.

1951 In May 1951, the maximum WBA was increased to $25, and maximum duration was extended to 26 weeks.

1956 In July 1956, the maximum WBA was raised to $30 with no change in duration.

1957 In July 1957, the WBA was changed to a minimum of $15 and a maximum of $40 with no other change.

1961 Beginning July 1, 1961, the minimum WBA was changed to $17. A significant change in the Idaho benefit formula occurred in 1961, when a provision was adopted by the Idaho Legislature, indexing the maximum WBA to 52½ percent of the average weekly wages. This provision became effective for the benefit year beginning July 1961 and resulted in a maximum WBA of $43 for that year.

Also beginning July 1, 1961, claimants whose earnings exceeded the amounts in the benefit table had their eligibility and number of weeks of benefits computed on the same basis as individuals whose base period earnings came within the limits of the benefit table. This resulted in some claimants with very high base period earnings in the required two or more quarters receiving monetary disqualifications for the first time. It also resulted in reducing potential duration for those claimants with a high, but disproportionate amount of earnings in one quarter.

1970 The 1970 Idaho Legislature eliminated the benefit table from the law and substituted a formula which became effective in July 1970. It required at least $416.01 of wages in a claimant's highest quarter and total wages of at least 1¼ times high quarter wages as a condition of eligibility. The WBA equals 1/26 of highest quarter wages rounded to the next higher dollar amount (if not an even dollar amount) except that it shall not exceed the applicable maximum WBA. Duration varied from 10 to 26 weeks in two week intervals based on minimum ratios of base period to high quarter earnings varying from 1.25 to 3.25 in intervals of 0.25.

1971 The Idaho Legislature increased the maximum WBA by increasing the percentage of the average weekly wage in covered employment used to determine the maximum WBA. The maximum WBA was formerly set at 52½ percent of the average weekly wage paid in covered employment. Beginning July 1, 1971, this was increased to 55 percent.

1972 In FY1973, beginning July 1, 1972, a maximum WBA of $68 became effective. The duration for which a claimant could draw benefits remained unchanged.

1973 The Idaho Legislature again increased the maximum WBA by increasing the percentage of average weekly wage in covered employment to 60 percent.

1980 The Idaho Legislature deleted WBAs, $17 through $35 in the benefit formula, raising the $416.01 previously required as claimant high quarter earnings to $910.01 and raising total wages required as a condition of eligibility from $520.01 to $1,137.51.

1983 Idaho's benefit formula underwent the most extensive, far-reaching changes in its entire history in 1983 in response to the recessionary drain on the Trust Fund. The Idaho Legislature made substantive changes that significantly affected claimants eligibility for benefits as well as amounts and duration. The following are the major eligibility and benefit changes to the law:

- A major change was made in the earnings a worker must have to reestablish eligibility for benefits after being found ineligible. The act changed the earnings required from eight times the WBA to twenty times the WBA.
- To be eligible for any benefits, an individual must have earned $1,144.01 in a calendar quarter in his base period and must have had total base period wages of at least 1½ times the high quarter wages.
- With these changes in the formula, by which the duration and amount of benefits were computed, the minimum WBA payable was raised to $45 from the previous $37 minimum. Additionally, the potential duration of benefit payments for most claimants was shortened.
- Another major change was the temporary freezing of the maximum WBA at the July 1982, level of $159. This maximum was to continue through June 30, 1984 and to remain in effect until July 1 of a year that the trust fund had not borrowed to pay benefits for the two preceding quarters. These conditions were met July 1, 1984, and the maximum WBA was raised to $173 according to the benefit formula.
- A new provision in Idaho's law provided that unemployment compensation payable to any individual for any week, if not an even dollar amount, would be rounded to the next lower full dollar amount. This provision results in savings to the fund and a slightly reduced benefit amount for almost all of those receiving benefits.
- The amount of qualifying earnings that an individual must have to be eligible to receive benefits in two successive benefit years was changed from 3 to 5½ times the WBA established during the first benefit year.

1985 The "20 times" requirement passed in 1983 to reestablish eligibility for benefits was changed to "16 times" the WBA.

1987 Effective July 1, 1987, a revision changed the eligibility requirement for earnings from 1½ times the high quarter base period wages to 1¼ times high quarter wages. The change restored the "1¼ times" that was in effect prior to the 1983 legislative changes. Of equal significance in the law change was the restoration of one week of benefit entitlement for many claimants. The claimants that became eligible with the restoration of the "1¼ times" provision became entitled for 10 weeks while all other claimants' entitlements were increased by one week with the exception of those claimants who were entitled to the maximum 26 weeks of benefits.

One outcome of the 1987 benefit formula change is that those claimants eligible for 10 weeks of benefit entitlement are not eligible for FSE should those benefits trigger on. The eligibility criteria for FSE remain at 1½ times high quarter wages.

1997 The 1997 Idaho Legislature changed the benefit formula to restore benefit entitlement to pre-1983 levels by adding one week of eligibility for most claimants. Because of this legislation, all claimants, with the exception of those eligible for 10 weeks and 26 weeks, became eligible for one additional week of benefits.

1998 The 1998 Idaho Legislature indexed the wage required to receive the minimum WBA to 50 percent of the state minimum wage. Because Idaho's minimum wage was $5.15 per hour, Idaho's minimum WBA increased from $44 to $51. They also changed the re-qualification formula when filing for benefits in a subsequent benefit year from 5.5 times the WBA to 6 times the WBA.

TABLE 12: Developments in Idaho Benefit Formula

Effective Date	Maximum WBA	Minimum WBA	Duration (weeks)	Escalator Provision (%)	Waiting Weeks
9/1/1938	$15	$5	3-18	-	3
4/1/1939	18	5	7-17	-	2
7/1/1947	20	10	10-20	-	1
5/1/1951	25	10	10-26	-	1
7/1/1955	30	10	10-26	-	1
7/1/1957	40	15	10-26	-	1
7/1/1959	40	15	10-26[a]	-	1
7/1/1961	43	17	10-26[b]	52.5	1
7/1/1962	44	17	10-26	52.5	1
7/1/1963	45	17	10-26	52.5	1
7/1/1965	48	17	10-26	52.5	1
7/1/1966	50	17	10-26	52.5	1
7/1/1967	51	17	10-26[c]	52.5	1
7/1/1968	53	17	10-26	52.5	1
7/1/1969	56	17	10-26	52.5	1
7/1/1970	59	17	10-26[d]	55.0	1
7/1/1971	65	17	10-26[e]	55.0	1
7/1/1972	68	17	10-26	60.0	1
7/1/1973	78	17	10-26	60.0	1
7/1/1974	83	17	10-26	60.0	1
7/1/1975	90	17	10-26	60.0	1
7/1/1976	99	17	10-26	60.0	1
7/1/1977	110	17	10-26	60.0	1
7/1/1978	116	17	10-26	60.0	1
7/1/1979	121	17	10-26	60.0	1
7/1/1980	132	36[f]	10-26	60.0	1
7/1/1981	145	36	10-26	60.0	1
7/1/1982	159	36	10-26	60.0	1
7/1/1983	159[g]	44[h]	10-26	60.0	1
7/1/1984	173	44	10-26	60.0	1
7/1/1985	179	44	10-26	60.0	1
7/1/1986	185	44	10-26	60.0	1
7/1/1987	188	44	10-26	60.0	1
7/1/1988	193	44	10-26	60.0	1
7/1/1989	200	44	10-26	60.0	1
7/1/1990	206	44	10-26	60.0	1
7/1/1991	215	44	10-26	60.0	1
7/1/1992	223	44	10-26	60.0	1
7/1/1993	234	44	10-26	60.0	1
7/1/1994	240	44	10-26	60.0	1
7/1/1995	248	44	10-26	60.0	1
7/1/1996	259	44	10-26	60.0	1
7/1/1997	265	44	10-26	60.0	1
7/1/1998	273	51[i]	10-26	60.0	1
7/1/1999	282	51	10-26	60.0	1
7/1/2000	296	51	10-26	60.0	1
7/1/2001	315	51	10-26	60.0	1
7/2/2002	316	51	10-26	60.0	1
7/1/2003	320	51	10-26	6.0	1

a-Duration extended by 50 percent when unemployment and exhaustion ratios reach specified levels.

b- In July 1961, Idaho adopted an "open-end" benefit formula, requiring all claimants to have total wages of at least 1.5 times higher quarter wages regardless of the amount of those wages.

c-Duration extended by 50 percent when the insured unemployment rate for a 13-week period is 20 percent above the average of the same 13-week periods in the two preceding years.

d-In July 1970, Idaho adopted a revision to the benefit formula varying duration from 10- to 26-week intervals based on minimum ratios of base period to high quarter earnings of 1.25 to 3.25 in intervals of .25.

e-Duration extended by 50 percent through a federal-state extended benefit program adopted February 1971, when actuated by federal or state unemployment rate triggers.

f-Law change deleted weekly benefit amounts $17 through $35.

g-Maximum WBA frozen by legislation at 1/1/82 level until July 1 of such year that trust fund had not been borrowing for two preceding quarters.

h-Law change deleted WBAs $36 through $43.

I -1998 Legislature “indexed” the minimum WBA to the state minimum wage.

APPENDIX II

MAJOR DEVELOPMENTS IN EXPERIENCE RATING & UI TAX PROVISIONS

Table 26 gives some historical perspective of the developments in UI tax rates and the taxable wage base in Idaho. While there have been fewer changes in the UI tax structure when compared to the changes made in benefits, the changes in the taxing structure have been substantial. Some of the more meaningful events in tax structure development include the following:

1935 Tax rates were applied to total wages paid by employers, and all employers paid the same rate. Rates from 1936 to 1942 were as follows:

1936	0.9%
1937	1.8%
1938-1942	2.7%

1943 Beginning in 1943, only the first $3,000 of employee's wages in a year were subject to the tax. Experience rating procedures, provided first in the 1943 law, have used different bases for rating employment experience. The 1943 law used a ratio of the excess of taxes over benefits to average annual payroll and set up steps of 2.3 percent, 1.9 percent, and 1.5 percent for rated employers.

1947 In 1947, a 1.1 percent step was added to the 1943 law change.

1951 Since 1951, the method used in Idaho for determining employers' tax rates has been the array method of reserve ratio experience rating. Each eligible employer has an experience factor calculated based on past experience. This factor is the reserve ratio of the accumulated excess of contributions over benefits, divided by average taxable payroll for the past two, three, or four years, depending on the length of time an employer has been in business.

Employers are placed in an array according to their experience factors. The Employment Security Law provides the percentage of taxable payroll to be assigned to each rate group. Those employers with the most favorable experience factor receive the lowest rate and other employers are rated according to their place in the array. The range of rates and the percentages in each rate group have been changed several times by legislative action.

1955 The Legislature provided for five alternate tax tables with minimum tax rates ranging from 0.3 percent to 1.7 percent. The rate schedule in effect at any period was determined by the ratio of the unencumbered balance in the UI trust fund to total taxable payroll.

1961 For 1961 and 1962 only, the law was amended to add a surtax of 25 percent to the rates of Table 4 of the 1955 law. This resulted in effective rates of 1.625 percent to 3.375 percent for 1961 and 1962. This surtax was necessary because of depletion of the fund caused by the 1960-1961 recession.

1963 The Legislature amended the Employment Security Law to provide:

- Deficit rates above a standard rate for employers whose benefit charges exceed their tax paid.
- The tax schedule, which applies for a particular rate year is to be determined by the ratio of fund balance to total wages.
- Eight alternative tax schedules, each with seven rates for rated employers, six rates for deficit employers, and a standard rate for unrated employers. Schedule I varied from 0.3 percent to 3.9 percent, while Schedule VII varied from 2.7 percent to 5.1 percent.

The 1963 Legislature also amended the Employment Security Law to raise the taxable wage base from $3,000 to $3,600.

1971 The taxable wage base was again increased from $3,600 to $4,200 by the 1971 Idaho Legislature, effective January 1, 1972.

1975 The most significant change affecting the taxable wage base occurred in the 1975 legislative session. The wage base was changed to a flexible one, which is subject to change each year and is set at the annual average wage, rounded to the nearest $600 multiple, in covered employment in the second year prior to the effective date. Effective January 1976, the taxable wage base increased to $7,800.

Idaho's law was also amended in 1975 to adjust the tax schedules. Effective January 1976, Schedule I varied from 0.2 percent to 3.2 percent and Schedule VIII varied from 2.7 percent to 4.4 percent.

1983 The 1983 Idaho Legislature made extensive changes in Idaho's experience rating system by the adoption of new tax schedules. The Legislature also legislated which schedules would be in effect through 1985. Major changes were that there were now nine rate schedules instead of eight and five deficit rate classes instead of six. But the most meaningful changes were the increases in the rates which employers pay.

The Legislature provided that Rate Schedule VI would be in effect for 1983, Rate Schedule VII for 1984, and Rate Schedule VIII for 1985. The 1985 Legislature modified its 1983 decision and legislated that Rate Schedule VI would be effective for both 1985 and 1986.

1986 Meaningful changes in the experience rating structures were made by the 1986 Idaho Legislature. The law was amended to add a new rate class on all schedules for the worst deficit employers. The highest rate class includes 1 percent of all deficit rated employers, and has a maximum tax rate of 5.4 percent for the most favorable rate schedule and 6.8 percent for the least favorable schedule. The definition of wages was changed to include tips totaling $20 or more in a month and included in a written statement furnished by the claimant to the employer, and sick pay other than that received under a workers' compensation law. Also, any employer that makes a sickness or accident disability payment that is not excluded from wages will be treated as the employer with respect to payment of such wages. The law provides for noncharging of benefits paid to an individual who continues to perform services for an employer without a reduction in work schedule and is eligible to receive benefits based on earnings from another employer.

1987 The Idaho Legislature made a consequential change in Idaho's law by adjusting the point in time of the computation that determines which rate schedule will be in effect. The ratio of the unencumbered balance in the trust fund to the total wages on June 30 immediately preceding the rate year, determines the appropriate rate schedule beginning with CY1989. The effect of the law change was to move the computation date forward six months from December 31 of the second prior year to June 30 immediately preceding the rate year.

1989 In 1989, the Idaho Legislature created an innovative new method of determining which of Idaho's nine rate schedules would be in effect for any rate year — computation, from the penultimate year, of an average cost multiple (ACM). The ACM is a ten-year moving average of the ratio of annual benefits paid to total wages in covered employment multiplied by a factor of 1.5. This resulting ratio, when applied to covered wages of the penultimate year, represents the desired fund size.

Beginning with CY1989, the ACM became the minimum ratio of total wages for Rate Schedule V (the middle schedule) of Idaho's nine rate schedules. The trust fund balance to wages ratio for Rate Schedules I through IX is then adjusted up or down from Rate Schedule V in equal increments of .005 percent.

As an example of the new methodology, the ACM for rate year 1989 was .0264, and the ratio of fund balance to total wages in the penultimate year (1987) was .0400, which triggered Rate Schedule III for rate year 1989.

One effect of the 1989 law change was to return the point of time of the computation of effective tax rate schedule to the penultimate year as it was prior to the 1987 legislation.

1991 In 1991, the Idaho Legislature made a very meaningful change to Idaho Code by establishing an administrative fund to help meet Idaho Department of Idaho funding needs. The legislation provided that a reserve tax equal to 20 percent of the employers' taxable wage rate would remain in Idaho as a reserve fund and invested by the State Treasurer. The monies in the reserve fund may be used for loans to the employment security fund and the repayment of interest bearing advances and accrued interest. The State Treasurer deposits the interest earned by the reserve fund in the special administrative fund to be used by Idaho Department of Labor for administering the UI and Employment Service programs.

The Legislature also placed a ceiling on the newly established reserve fund so that the 20 percent diversion of employer taxable wage rates would occur only in those years when the balance of the Administrative Fund was less than one percent of Idaho taxable wages. The 20 percent diversion of employer tax would be collected in combination with the remaining 80 percent (contributions), which is deposited in the UI trust fund. When the Administrative Fund ceiling is reached, 100 percent of all employer taxes are deposited in the UI trust fund.

In calculating individual employer's reserve ratios, only contributions will be used in those years when the 20 percent diversion is in effect.

The combination of UI trust fund and the newly established reserve fund would be used to compute the minimum ratio of the fund balance to total wages, which is used to determine which of Idaho's nine rate schedules are in effect for any particular rate year. The effective date for implementing this legislation was January 1, 1991.

1995 The 1995 Idaho Legislature removed the sunset clause on Idaho's special Administrative Fund.

The 1995 Legislature also changed the computation date for determining which of Idaho's rate schedules will be in effect from December 31 to September 30, which will permit employers' tax rate notices to be sent to employers earlier.

1996 The 1996 Legislature established a Workforce Development Training Fund, which was funded by a training tax. The training tax is equal to 3 percent of the taxable wage rate in effect each year. As a result, unless a reserve tax is imposed, UI contributions are equal to 97 percent of the taxable wage rate.

The legislation also changed the reserve tax established in 1991 from 20 percent of the taxable wage rate to 17 percent. Accordingly, when the 17 percent reserve tax is in effect, the training tax equals 3 percent of the taxable wage rate and the balance, 80 percent, goes to contributions.

1997 For rate year 1997, the Idaho Legislature cut taxes for Idaho's tax rated employers. First, the taxable base was reduced to $21,000 from the $22,800 that would have been in effect had Idaho's indexed formula been followed. Second, Rate Schedule I was legislated to be in effect for rate year 1997 instead of Rate Schedule II, which would have been in effect had Idaho's ACM formula been the basis for determining the rate schedule. This change resulted in a 0.04 percent reduction in tax rates for all rate classes except for the 5.4 percent rate class. These changes rolled back the taxable wage base and tax schedule to 1995 levels.

1998 The 1998 Idaho Legislature made substantive and far-reaching changes to the tax rate schedules. Some of the most significant changes were: (1) Removed the highest two tax schedules and added two lower schedules to the tax table; (2) Lowered the standard rate (new employer rate) on all schedules; (3) Reduced tax rates for most positive rated employers; (4) Changed the distribution (the array) of the percentage of taxable payroll that defines which rate class employers fall; (5) Reduced the percent allocations of change for positive rated employers when they change from one rate class to another; and (6) Increased the percent of taxable payroll allocated to the highest deficit tax rate from 1 percent of taxable payroll to 5 percent of taxable payroll.

2001 The 2001 Idaho Legislature enacted legislation that would freeze the 2002 tax rates at the Rate Year 2001 level—Tax Rate Schedule II.

2002 The 2002 Legislature continued the freeze at rate schedule II and the taxable wage base at $27,600 for rate years 2003 and 2004.

TABLE 13: Developments in Idaho's Tax Rate Provisions				
Year Law Passed or Administrative Order Issued	**Effective Date**	**Rate Schedules**	**Wage Base ($)**	**Eligibility Require-ments for Experience Rating**
1935		.9% in 1936	total	
1937		1.8% in 1937	total	
1938		2.7% in 1938	total	
1939		0.027	total	
1943	7/1943	1.5% - 2.7%	3,000	
1947	7/1947	1.1% - 2.7%	3,000	5 years
1951	1/1952	.9% - 2.7%	3,000	4.5 years
1955	1/1956	.3% - 2.7%[a]	3,000	2.5 years
1961	7/1961	1.625% - 3.375%[b]	3,000	2.5 years
1963	1/1963	.3% - 5.1%[c]	3,600	2 years
1971	1/1972	no change	4,200	2 years
1975	1/1976	.2% - 4.4%[d]	7,800[e]	2 years
1983	4/1983	.1% - 6.8%[f]	14,400	2 years
1986	1/1986	.1% - 6.8%[g]	15,600	2 years
1987	1/1987	.1% - 6.8%	16,200	2 years
1988	1/1988	.1% - 6.8%	16,200	2 years
1989	1/1989	.1% - 6.8%[h]	16,800	2 years
1990	1/1990	.1% - 6.8%	17,400	2 years
1991	1/1991	.1% - 6.8%	18,000	2 years
1992	1/1992	.1% - 6.8%	18,600	2 years
1993	1/1993	.1% - 6.8%	19,200	2 years
1994	1/1994	.1% - 6.8%	20,400	2 years
1995	1/1995	.1% - 6.8%	21,000	2 years
1996	1/1996	.1% - 6.8%	21,600	2 years
1997	1/1997	.1% - 6.8%	21,000[i]	2 years
1998	1/1998	.1% - 6.8%[j]	23,000[j]	2 years
1999	1/1999	.1% - 6.8%	23,600	2 years
2000	1/2000	.1% - 6.8%	24,500	2 years
2001	1/2001	.1% - 6.8%	25,700	2 years
2002	1/2002	.1% - 6.8%	27,600	2 years
2003	1/2003	.1% - 6.8%	27,600	2 years
2004	1/2004	.1% - 6.8%	27,600	2 years

a-Five alternate tables provided with minimum tax rates ranging from .3 to 1.7 percent.

b-For calendar years 1961 and 1962 only, rate in Table IV plus a 25 percent increase apply.

c-Eight alternative rate schedules with minimums from .3 percent to 2.7 percent and maximums from 3.9 percent to 5.1 percent.

d-Eight alternative rate schedules with minimums from .2 percent to 2.7 percent and maximums from 3.2 percent to 4.4 percent.

e-Taxable wage base equal to average annual wage in second prior year, rounded to $600.

f-Nine alternative rate schedules with minimums from .1 percent to 2.9 percent and maximums from 4 percent to 6.8 percent. Deficit rate class reduced from 6 to 5.

g-Added a sixth rate class to all schedules for worst deficit rated employers for tax rates and bases in effect.

h-Changed the methodology for computation of which rate schedule is effective.

i-Legislated that 1995 taxable wage base would be effective for 1997.

j-1998 Idaho Legislature changed the rates and rate class payroll breaks.

APPENDIX III

MAJOR HISTORICAL DEVELOPMENTS IN COVERAGE PROVISIONS

1935 Covered employment is defined as any service performed for wages unless specifically excluded in the law. The major exclusions in the 1935 Idaho law, which was written to comply with federal standards, were jobs in Agriculture, government, nonprofit organizations, domestic work, and jobs held be certain specified family members. There were numerous other exclusions, but these affected a relatively small number of workers.

1959 Major changes added most state workers along with city and county workers. The latter group was included in covered employment from January 1962 to April 1963.

1963 City and county government workers were removed from coverage. UI benefits paid to former state employees were on a reimbursable basis and, therefore, did not directly affect the employment security fund.

1967 The Idaho law has, almost from the beginning, provided coverage to workers in firms employing one or more workers, providing that the quarterly payroll met the minimum set in the law. Federal standards originally required coverage of firms with eight or more workers. This was later reduced to firms having four or more workers and finally, to firms with one or more workers. In 1937, the Idaho minimum quarterly payroll requiring taxes to be paid to the UI fund was $75. This was raised to $150 in July 1955 and to $300 in July 1967.

1972 Beginning January 1, 1972, coverage in Idaho was again broadened, allowing more workers to be eligible to draw UI benefits. Effective January 1972, all faculty members and administration officials of state-operated schools were covered by UI provisions of Idaho's law. Workers in packaging of fresh fruits and vegetables and haulers of farm products, previously classified as Agriculture workers, were reclassified to Food Processing and Transportation, and also became covered. Most services for nonprofit organizations are covered, including employees of all hospitals.

1978 Effective January 1, 1978, coverage was extended to local government workers, domestic workers, and agriculture workers. The minimum quarterly payroll for domestic workers was set at $1,000 in any quarter of the preceding calendar year. Agriculture workers are covered if their employers paid $20,000 or more in wages in any one quarter, or if they employed at least ten workers in agricultural labor for 20 days during the year.

1986 In 1986, the law was amended to deny benefits between terms and during vacation period to individuals employed by any educational service agency.

1986 The minimum quarterly payroll requiring taxes to be paid was raised from $300 to $1,500 per quarter.

1997 Professional Employers' experience rating legislation allows professional employers to use the experience rate of the business with which they are contracting. Services by Americorps program participants are exempted from coverage for UI benefits.

TABLE 14: Major Developments in Coverage Provisions			
Effective Date	Size of Firm (by # of employees)	Minimum Quarterly Wage	Coverage Change
1936	8 or more employees in each of 20 weeks		
1937	1 or more employees	$75	
1/1/1939	1 or more employees	$78	
7/1/1947	1 or more employees in each of 20 weeks	$78	
7/1/1955	1 or more employees	$150	
7/1/1959	1 or more employees	$150	Added state employees, except school faculties, elective, and some medical specialists
1/1/1962	1 or more employees	$150	Added city and county government workers
5/1/1963	1 or more employees	$150	Removed coverage for city and county government workers
7/1/1967	1 or more employees	$300	
1/1/1972	1 or more employees	$300	Added school coverage for state faculties and administrative staff, professional staff of state hospitals, employees of most nonprofit organizations, and some food processing and transportation workers who were previously classified as agriculture workers
1/1/1979	1 or more employees	$300	Added local government workers, domestic workers, and agriculture workers
1996	1 or more employees	$1,500	

APPENDIX IV

HISTORICAL DATA ARCHIVES

TABLE 15: Total Payroll, Taxable Payroll, Taxes, & Average Effective Tax Rate* by Major Industry, CY2002

Major Industry Group (SIC)	Total Payroll ($millions)	Taxable Payroll ($millions)	Taxes ($millions)	Average Effective Tax Rate
Agriculture, Forest, & Fishing	$377.60	$334.70	$5.32	1.41%
Mining	75.6	46.3	0.88	1.16%
Construction	1,106.7	824.6	16.14	1.46%
Food & Kindred Products	505.5	381.8	5.39	1.07%
Lumber & Wood Products	402.3	279.0	5.12	1.27%
Other Manufacturing	1,863.5	1,069.1	10.21	0.54%
Trans., Comm and Utilities	913.6	602.2	6.16	0.67%
Wholesale Trade	1,030.0	667.2	6.89	0.67%
Retail Trade	1,890.8	1,536.6	14.31	0.76%
Finance, Ins., & Real Estate	741.2	502.1	4.38	0.59%
Services	3,973.8	2,260.7	25.45	0.64%
Total**	$12,880.60	$8,504.40	$100.23	0.78%

*Effective Tax Rate = (Tax ÷ Total Wages) x 100

**Columns may not add because of rounding.

TABLE 16: UI Benefits Paid as a Percent of Total by Major Industry, FY 2003*

Major Industry Group (SIC)	Benefits Paid ($millions)	% of Total
Agriculture, For., & Fish	$9.84	5.7%
Mining	1.45	0.8%
Construction	38.33	22.5%
Food & Kindred Products	11.44	6.7%
Lumber & Wood Products	10.99	6.4%
Other Manufacturing	23.34	13.7%
Trans., Comm and Utilities	10.76	6.3%
Wholesale Trade	9.31	5.5%
Retail Trade	18.77	11.0%
Finance, Ins., & Real Estate	3.58	2.1%
Services	31.78	18.6%
Total*	$170.58	100.0%

*Columns may not add because of rounding.

TABLE 17: Estimates of Covered Labor Force*

Annual Average

Calendar Year	Covered Emp.	Covered Unemp.	Covered Labor Force	% of Labor Force Unemp.
1970	146,079	6,357	152,436	4.4%
1971	151,499	8,007	159,506	5.3%
1972	165,592	7,242	172,834	4.4%
1973	178,831	6,927	185,758	3.9%
1974	188,930	8,477	197,407	4.5%
1975	193,318	12,910	206,228	6.7%
1976	206,805	10,884	217,689	5.3%
1977	219,540	10,273	229,813	4.7%
1978	244,119	9,432	253,551	3.9%
1979	249,104	10,970	260,074	4.4%
1980	240,218	18,552	258,770	7.7%
1981	240,670	19,200	259,870	8.0%
1982	228,814	31,194	260,006	13.6%
1983	235,393	26,107	261,107	11.1%
1984	246,420	18,300	264,720	7.4%
1985	250,979	19,000	269,979	7.6%
1986	247,734	20,052	267,786	8.1%
1987	252,297	16,900	269,197	6.7%
1988	265,888	13,753	279,641	5.2%
1989	282,553	12,587	295,140	4.5%
1990	299,382	12,658	312,040	4.2%
1991	308,815	16,886	325,701	5.5%
1992	322,931	17,985	340,916	5.6%
1993	340,727	16,446	357,173	4.8%
1994	363,104	15,975	379,079	4.4%
1995	375,493	18,027	393,520	4.8%
1996	388,168	17,638	405,806	4.5%
1997	402,457	16,008	418,465	4.0%
1998	416,077	15,882	431,959	3.8%
1999	429,299	14,967	444,266	3.5%
2000	447,187	13,973	461,160	3.1%
2001	451,995	18,148	470,143	4.0%
2002	450,440	23,707	474,147	5.0%

*Excludes state and local government and cost reimbursable nonprofit employment

TABLE 18: Ratio of First Payment to Eligible Monetary Determinations

Calendar Year	First Payments	Eligible Monetary Determinations	Ratio
1970	19,994	23,179	0.86
1971	22,793	25,952	0.88
1972	22,736	26,328	0.86
1973	23,031	27,489	0.84
1974	27,659	33,636	0.82
1975	36,805	39,081	0.94
1976	33,755	37,308	0.90
1977	32,207	37,580	0.86
1978	33,293	37,706	0.88
1979	38,870	46,266	0.84
1980	50,188	54,157	0.93
1981	49,097	52,636	0.93
1982	58,937	59,471	0.99
1983	46,926	47,451	0.99
1984	41,955	45,444	0.92
1985	47,125*	50,100	0.94*
1986	46,776	49,989	0.94
1987	41,160	44,962	0.92
1988	37,626	43,002	0.87
1989	36,539	41,620	0.88
1990	39,009	46,080	0.85
1991	48,116	52,825	0.91
1992	46,156	51,716	0.89
1993	41,134	47,996	0.86
1994	44,924	52,780	0.85
1995	48,219	57,090	0.84
1996	48,788	56,745	0.86
1997	45,116	55,691	0.81
1998	46,120	56,008	0.82
1999	43,684	53,070	0.82
2000	45,292	55,837	0.81
2001	57,109	69,697	0.82
2002	59,570	69,247	0.86
2003	60,000	70,734	0.84

*Estimates

TABLE 19: Percent of Claimants with Sufficient Wage Credits

Calendar Year	Number of Monetary Determinations	Number of Eligible Monetary Determinations	% With Sufficient Wage Credits
1970	29,589	23,179	78
1971	31,898	25,952	81
1972	32,175	26,328	82
1973	33,135	27,489	83
1974	40,457	33,636	83
1975	48,978	39,081	80
1976	47,588	37,308	78
1977	45,529	37,580	83
1978	46,896	37,706	80
1979	54,633	46,266	85
1980	65,042	54,157	83
1981	64,344	52,636	82
1982	74,784	59,471	79
1983	64,092	47,451	74
1984	60,878	45,444	75
1985	61,952	50,100	81
1986	58,415	49,989	86
1987	52,140	44,962	86
1988	49,016	43,002	88
1989	47,461	41,620	88
1990	52,052	46,080	88
1991	60,087	52,825	88
1992	61,005	51,716	85
1993	54,483	47,996	88
1994	58,753	52,780	90
1995	62,880	57,090	91
1996	62,076	56,745	91
1997	57,383	55,691	97
1998	57,208	56,008	98
1999	54,117	53,070	98
2000	56,554	55,837	99
2001	70,405	69,677	99
2002	72,435	69,237	96
2003	72,507	70,734	97

TABLE 20: Weeks Compensated by Year & Average Duration

Calendar Year	Weeks Compensated [a]	First Pay	Final Pay	Avg. Duration Compensible[b] (weeks)
1970	216,775	19,994	5,204	10.8
1971	250,595	22,793	5,675	11.0
1972	251,643	22,736	5,572	11.1
1973	246,317	23,031	5,090	10.7
1974	289,665	27,650	6,132	10.5
1975	424,406	36,805	11,189	11.5
1976	361,185	33,755	9,579	10.7
1977	348,519	32,207	8,567	10.8
1978	334,511	33,293	7,072	10.0
1979	419,297	38,870	8,361	10.8
1980	623,022	50,188	14,892	12.4
1981	618,186	49,097	16,297	12.6
1982	903,269	58,937	28,418	15.3
1983	673,301	46,926	26,176	14.3
1984	520,335	41,955	18,567	12.4
1985	576,193	47,125[c]	18,186	12.2[c]
1986	628,431	46,776	17,844	13.4
1987	530,182	41,160	15,082	12.9
1988	456,730	37,626	11,408	12.1
1989	427,682	36,539	10,069	11.7
1990	437,715	39,990	9,837	11.2
1991	564,858	48,116	13,991	11.7
1992	571,677	46,156	16,010	12.4
1993	518,804	41,134	14,689	12.6
1994	521,685	44,924	13,984	11.6
1995	590,835	48,724	15,291	12.1
1996	585,244	48,788	14,744	12.0
1997	537,345	45,116	13,055	11.9
1998	552,125	46,120	12,688	11.9
1999	542,464	43,684	12,536	12.4
2000	527,699	45,292	11,219	11.7
2001	693,078	57,109	14,541	12.1
2002	826,602	59,570	21,031	13.9
2003	840,433	60,000	22,360	14.0

a-Excludes extended benefits
b-Average Duration = Week Compensated ÷ First Pay
c-Estimates

FIGURE 14: Covered Employment & Ccovered Unemployment (right scale)

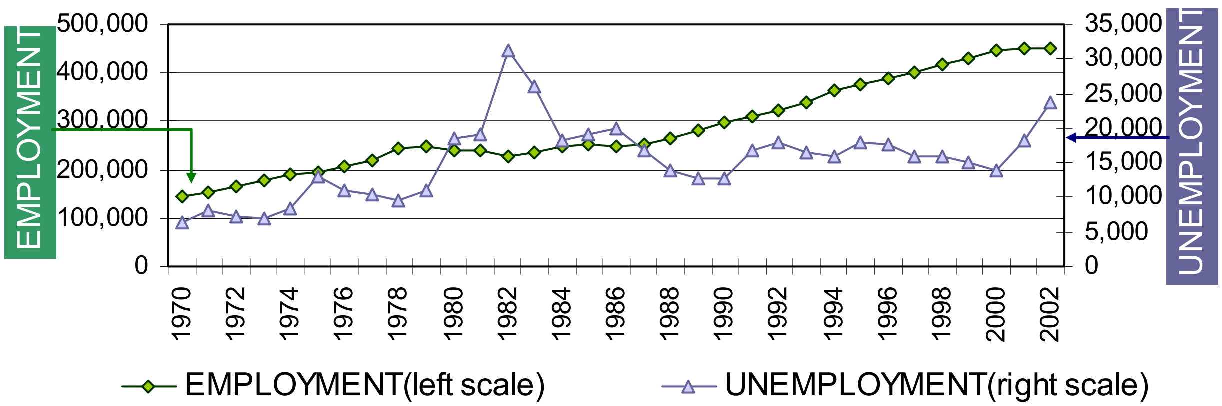
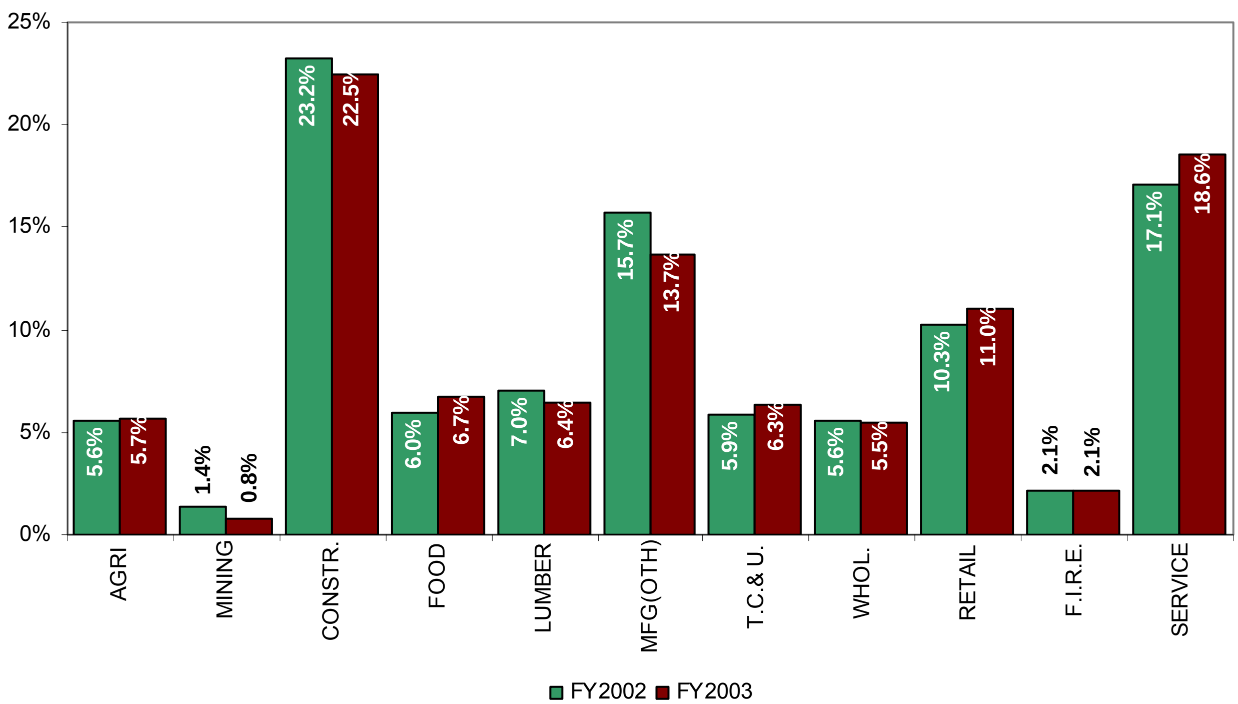


FIGURE 15: Percentage of Total Benefits Paid by Industry FY2002 - FY2003



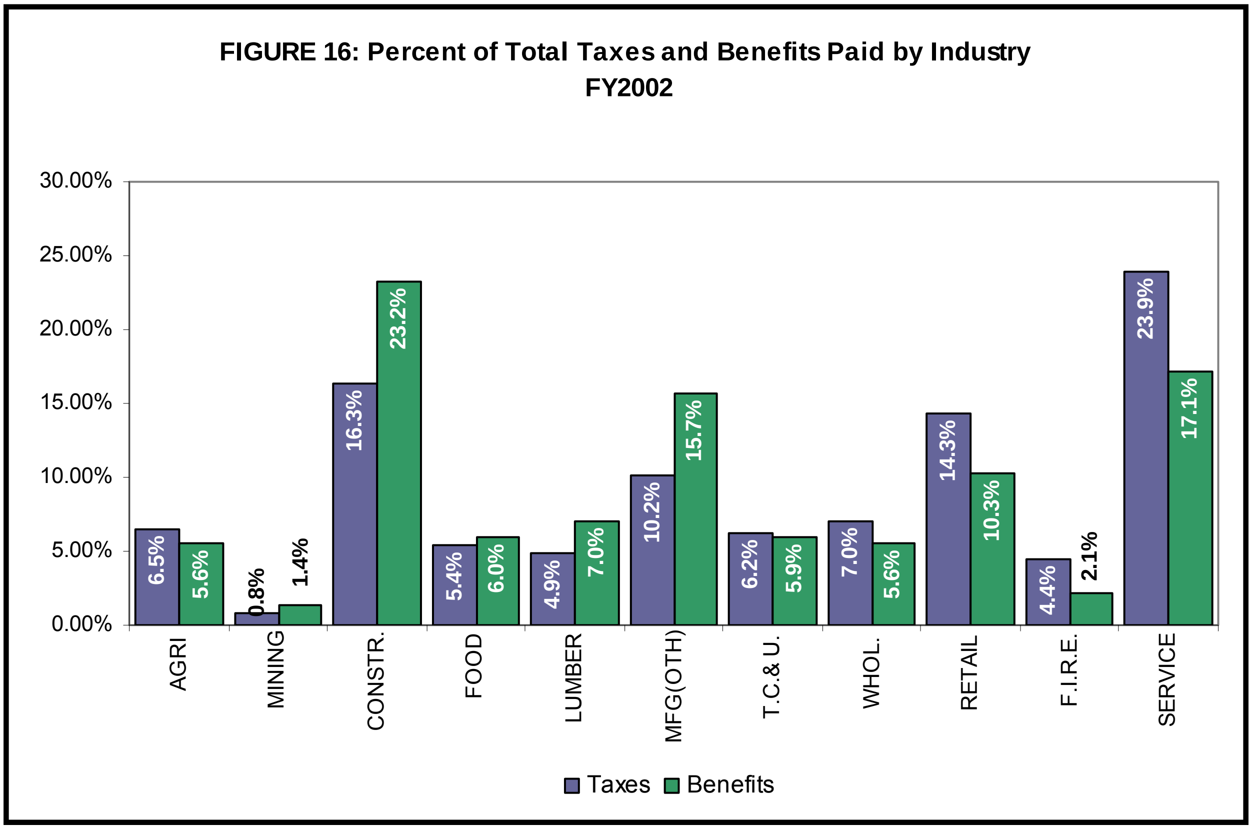


FIGURE 16: Percent of Total Taxes and Benefits Paid by Industry
FY2002
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
6.5%
5.6%
0.8%
1.4%
16.3%
23.2%
5.4%
6.0%
4.9%
7.0%
10.2%
15.7%
6.2%
5.9%
7.0%
5.6%
14.3%
10.3%
4.4%
2.1%
23.9%
17.1%
AGRI
MINING
CONSTR.
FOOD
LUMBER
MFG(OTH)
T.C.& U.
WHOL.
RETAIL
F.I.R.E.
SERVICE
Taxes
Benefits

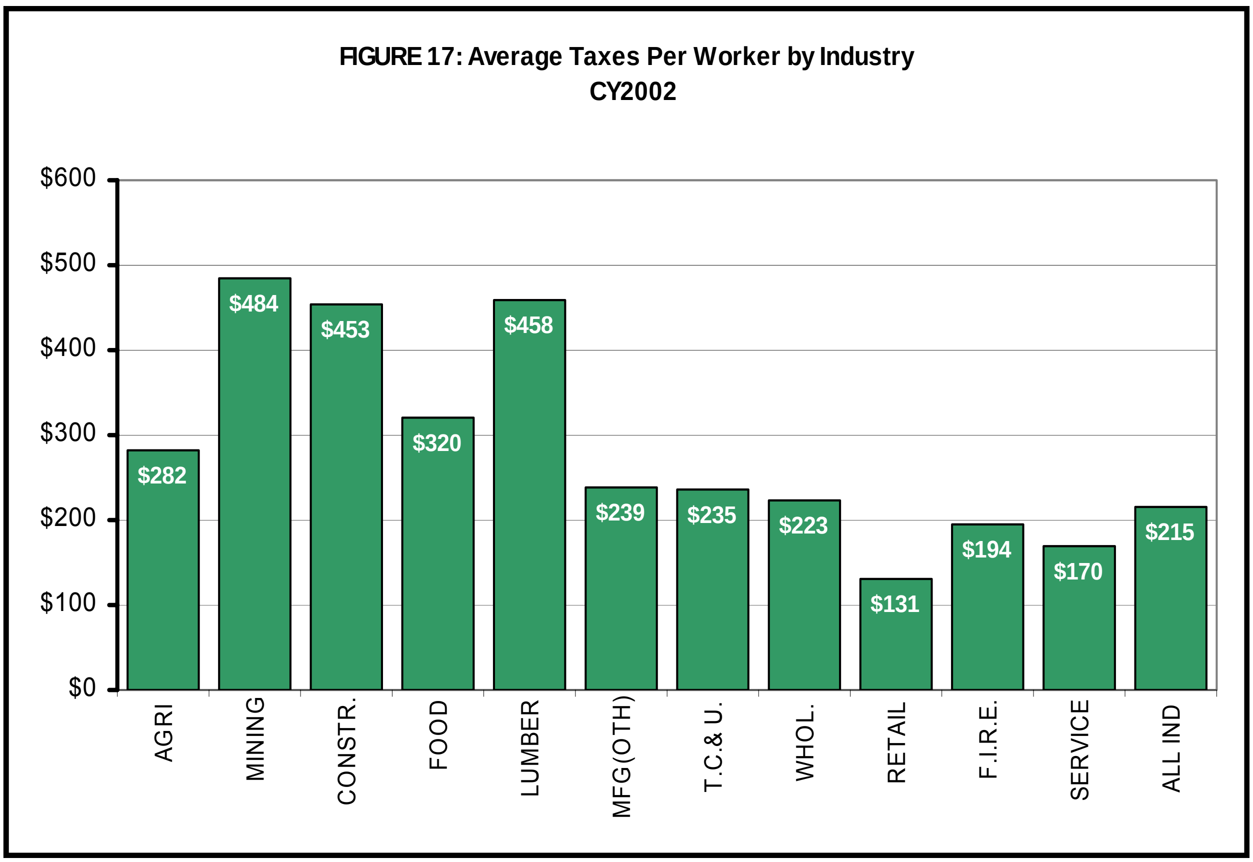


FIGURE 17: Average Taxes Per Worker by Industry
CY2002
$600
$500
$400
$300
$200
$100
$0
$282
$484
$453
$320
$458
$239
$235
$223
$131
$194
$170
$215
AGRI
MINING
CONSTR.
FOOD
LUMBER
MFG(OTH)
T.C.& U.
WHOL.
RETAIL
F.I.R.E.
SERVICE
ALL IND

TABLE 21: Average Weekly Wage, Average Weekly Taxable Wage, and Average Weekly Benefits in Idaho 1974 to 2002

Year	Average Weekly Wage ($)	Average Weekly Taxable Wage ($)	Ratio of Taxable Wages to Total Wages	Average Weekly Benefit ($)	Average Weekly Benefit as a % of the Average Weekly Wage	
					Total	Taxable
1974	$150.61	$81.55	0.541	$58.66	38.9	71.9
1975	165.35	83.26	0.504	62.73	37.9	75.3
1976	181.00	126.26	0.698	67.34	37.2	53.3
1977	193.87	131.92	0.680	74.55	38.5	56.5
1978	205.88	143.60	0.697	81.08	39.4	56.5
1979	225.23	155.50	0.690	86.50	38.4	55.6
1980	248.39	167.60	0.675	92.91	37.4	55.4
1981	271.24	183.68	0.677	99.72	36.8	54.3
1982	281.71	193.70	0.688	111.42	39.6	57.5
1983	292.46	203.65	0.696	111.94	38.3	55.0
1984	302.00	206.51	0.684	113.55	37.6	55.0
1985	311.00	212.82	0.684	120.37	38.7	56.6
1986	315.77	218.68	0.693	126.23	40.0	57.7
1987	323.79	223.60	0.691	127.32	39.3	56.9
1988	335.27	225.34	0.672	127.56	38.0	56.6
1989	344.52	231.72	0.673	129.95	37.7	56.1
1990	360.05	241.74	0.671	136.94	38.0	56.6
1991	371.05	249.77	0.673	145.53	39.2	58.3
1992	389.44	259.43	0.666	148.07	38.0	57.1
1993	400.40	267.14	0.667	153.91	38.4	57.6
1994	413.93	279.56	0.675	157.66	38.1	56.4
1995	432.92	288.59	0.667	164.88	38.1	57.1
1996	441.39	297.26	0.673	171.72	38.9	57.8
1997	454.67	298.78	0.657	177.76	39.1	59.5
1998	470.25	317.40	0.675	185.54	39.5	58.5
1999	495.10	328.59	0.664	189.34	38.2	57.6
2000	530.21	341.80	0.645	197.72	37.3	57.8
2001	526.05	354.14	0.673	212.44	40.4	60.0
2002	530.05	366.21	0.691	218.88	41.3	59.8

TABLE 22: Percent of Taxable Payroll for Positive-Rated, Negative-Rated, & Unrated Employers by Major Industry for Rate Year 2003*

Major Industry Group (SIC)	% Positive-Rated	% Negative-Rated	% Unrated
Agriculture, Forest., & Fishing	67.2	28.3	4.5
Mining	57.7	38.3	4.0
Construction	47.3	40.7	11.9
Total Manufacturing	77.0	14.0	8.9
Food & Kindred Products	74.8	24.6	0.6
Lumber & Wood Products	63.3	28.9	7.8
Trans., Comm and Utilities	83.0	7.8	9.2
Wholesale & Retail Trade	91.9	5.3	2.8
Finance, Ins., & Real Estate	94.2	1.4	4.5
Services	86.2	7.9	5.8
All Industries*	81.2	12.4	6.4

*Computation includes wages, tax, and benefits paid through June 30, 2002.

TABLE 23: Benefits Paid and Employer Taxes		
Fiscal Year	Benefits ($millions)	Taxes ($millions)
1980	$46.4	$43.9
1981	54.7	43.6
1982	87.9	45.4
1983	98.4	58.5
1984	66.7	86.0
1985	64.9	86.9
1986	72.5	83.2
1987	72.2	84.4
1988	58.0	90.6
1989	53.4	81.0
1990	51.4	68.3
1991	68.4	57.7
1992	78.7	66.5
1993	78.3	83.5
1994	73.7	77.9
1995	88.1	78.1
1996	95.8	95.4
1997	92.0	95.7
1998	93.8	86.5
1999	100.1	82.1
2000	95.3	91.8
2001	115.6	98.2
2002	172.3	101.4
2003	170.6	INA

TABLE 24: Taxes & Benefits: Percent of Total by Major Industry for 2002				
Major Industry Group (SIC)	Taxes ($millions)	Percent of Total	Benefits Paid ($millions)	Percent of Total
Agriculture, Forest & Fish	$6.34	6.5%	$9.73	5.6%
Mining	0.82	0.8	2.43	1.4
Construction	15.92	16.3	40.04	23.2
Food & Kindred Products, Mfg.	5.26	5.4	10.42	6.0
Lumber & Wood Products, Mfg.	4.82	4.9	11.98	7.0
Other Manufacturing	9.94	10.2	27.12	15.7
Trans., Comm and Utilities	6.08	6.2	10.22	5.9
Wholesale Trade	6.80	7.0	9.62	5.6
Retail Trade	14.02	14.3	17.71	10.3
Finance, Ins., & Real Estate	4.34	4.4	3.59	2.1
Services	23.38	23.9	29.47	17.1
Total*	$97.32	100.0%	$172.34	100.0%

*Columns may not add because of rounding.

TABLE 25: Ratio of Fund to Total Wages by Rate Years		
Rate Year	**Fund Balance to Total Wages**	**Rate Schedule**
1982	88.8 ÷ 3102.8=0.0286	V
1983	81.1 ÷ 3394.5=0.0239	VI [b]
1984	26.8 ÷ 3351.9=0.0080	VII [b]
1985	19.5 ÷ 3579.9=0.0055	VI [c]
1986	55.1 ÷ 3869.7=0.0142	VI [c]
1987	78.7 ÷ 4058.9=0.0194	VIII [d]
1988	94.4 ÷ 4067.8=0.0232	VI [d]
1989	169.8e ÷ 4247.9=0.0400	III [f]
1990	211.0 ÷ 4635.5=0.0455	II
1991	242.6 ÷ 5061.9=0.0479	I
1992	242.1 ÷ 5605.2=0.0432	II
1993	254.7 ÷ 5961.7=0.0425	II
1994	279.1 ÷ 6539.6=0.0427	I
1995	293.7 ÷ 7094.1=0.0414	I
1996	290.6 ÷ 7815.9=0.0372	II [g]
1997	306.6 ÷ 8453.1=0.0363	I [h]
1998	324.3 ÷ 8909.3=0.0364	II [I]
1999	327.2 ÷ 9515.3=0.0344	II
2000	325.3 ÷ 10174.3=0.0320	II
2001	340.6 ÷ 11,052.3=0.0310	II
2002	322.3 ÷ 12,329.3=0.0261	II [j]
2003	284.6 ÷ 12,364.1=0.0230	II [k]
2004	221.9 ÷ 12,419.3=0.0179	II [k]

a-Effective Jan.1, 1976, computation period changed from June 30 of the prior year to Dec. 31 of the second prior year.

b-1983 Legislature determined which rate schedules would be effective in 1983,1984, and 1985. Legislature also changed rate schedules.

c-1985 Legislature determined that Rate Schedule VI would be effective for rate years 1985 and 1986.

d-1987 Legislature determined that Rate Schedule VI would be effective for rate years 1987 and 1988.

e-1989 Law revisions changed the calculation of Dec. 31, fund balance from an accrual basis to a cash basis.

f-1989 Legislature changed method for computation of which rate schedule is effective.

g-1995 Legislature changed the Computation date from Dec. 31 to Sept. 30.

h-1997 Legislature determined that Rate Schedule I would be effective for rate year 1997.

i-1998 Legislature determined that Rate Schedule II would be effective for rate year 1998.

j-2001 Legislature determined that Rate Schedule II would be effective for rate year 2002

k-The 2003 Idaho Legislature "froze" rate schedule II for rate years 2003 and 2004 (see preface)

TABLE 26: Average Tax Rate and Taxable Wage Base by Rate Year		
Rate Year	**Taxable Wage Base ($)**	**Average Tax Rate (%)**
1973	$4,200	2.11
1974	4,200	2.31
1975	4,200	1.71
1976	7,800	1.71
1977	8,400	2.11
1978	9,600	2.31
1979	10,200	2.11
1980	10,800	2.11
1981	12,000	1.91
1982	13,200	2.11
1983[a]	14,400	2.31
1983[b]	14,400	2.96
1984	14,400	3.36
1985	15,000	2.96
1986	15,600	2.96
1987	16,200	2.96
1988	16,200	2.96
1989	16,800	2.16
1990	17,400	1.76
1991	18,000	1.36
1992	18,600	1.76
1993	19,200	1.76
1994	20,400	1.36
1995	21,000	1.36
1996	21,600	1.76
1997[c]	21,000	1.36
1998	23,000	1.19
1999	23,600	1.19
2000	24,500	1.19
2001	25,700	1.19
2002	27,600	1.19
2003[d]	27,600	1.19
2004[d]	27,600	1.19

a-Beginning 1/1/83 - 3/30/83

b-Beginning 4/1/83 - 12/31/83

c-1997 Legislature determined that taxable wage base would be set to the 1995 level of $21,000 and the Rate Schedule I, with an average rate of 1.36 would be in effect for rate year 1997.

d-The 2003 Idaho Legislature “froze” the taxable wage base at 27,600 for rate years 2003 and 2004.

TABLE 27: Contributions by Industry CY2001 & CY2002*

Major Industry Group (SIC)	CY2001 ($millions)	CY2002 ($millions)	% Change
Agriculture, Forest, & Fishing	$6.25	$5.32	-14.8%
Mining	0.85	0.88	3.5
Construction	17.25	16.14	-6.4
Food & Kindred Products Mfg.	5.30	5.39	1.7
Lumber & Wood Products Mfg.	4.63	5.12	10.6
Other Manufacturing	10.80	10.21	-5.5
Trans., Comm and Utilities	5.99	6.16	2.8
Wholesale Trade	6.91	6.89	-0.3
Retail Trade	13.84	14.31	3.4
Finance, Ins., & Real Estate	4.21	4.38	4.0
Services	22.76	25.45	11.8
Total*	$98.80	$ 100.23	1.4%

*Columns may not add because of rounding.

TABLE 28: Total & Taxable Payroll for Positive-Rated, Negative-Rated, & Unrated Employers by Major Industry for Rate Year 2003*

	Positive-Rated Employers		Negative-Rated Employers		Unrated Employers	
Major Industry Group (SIC)	Total Payroll ($000)	Taxable Payroll ($000)	Total Payroll ($000)	Taxable Payroll ($000)	Taxable Payroll ($000)	Taxable Payroll ($000)
Agriculture, Forest, & Fishing	$285,563	$252,477	$121,363	$106,214	$17,448	$16,821
Mining	40,135	22,106	22,414	14,669	1,958	1,540
Construction	533,175	371,395	415,631	319,720	141,065	93,781
Total Manufacturing	2,054,955	1,292,806	328,616	235,608	404,034	149,542
Food & Kindred Products	446,081	310,134	130,580	101,911	2,412	2,305
Lumber & Wood Products	239,998	155,232	91,488	70,995	24,521	19,194
Trans., Comm and Utilities	711,733	462,537	52,570	43,644	91,352	51,097
Wholesale & Retail Trade	2,568,875	1,908,278	140,140	109,096	65,696	58,722
Finance, Ins., & Real Estate	711,419	450,278	9,139	6,635	27,765	21,300
Services	2,849,551	1,813,006	202,430	167,042	146,376	123,016
Total*	$9,755,411	$6,572,883	$1,292,313	$1,002,629	$895,396	$515,819

*Computation includes wages, tax, and benefits paid through June 30, 2002. Columns may not add because of rounding.